G.R.S 57]

File No. 1489/1911
Serial Nos. 1—11
1911-12

GENERAL AND REVENUE SECRETARIAT.

Memo B

Part A: Manuscript
for March 1912

Serial Nos. 1—11.

For contents see separate Subject Index

GPB—5,000—20-3-06

~~1911~~
1911-12

Office of the Inst. Ex. No 3996
22 - 4 - 12
GOVERNMENT

File No Inl 148 of 1910.

10 copies
20 copies

Govt of His Highness the Maharaja of Mysore

Municipal

March

'A' Collection Serial nos 1-11

Abolition or modification of octroi taxation in the Municipalities of the State.

Table of Contents.

Sl no of file	Number and date of letter and contents	References	Page in A Coll.
1	Note No 170 dated 25th August 1910 from J S Chakravarti Esq in A, R R & S & S A Comptroller and Financial Secretary to the Govt of H H the Maharaja of Mysore Suggests that an attempt be made to replace octroi in the Municipalities of the State by a reassessment of the rates on holdings, house taxes, market dues, etc and that this be attempted in the Shimoga Municipality to begin with.		1/110
2	To the Deputy Commr of Dist No 9611-S & 20th May 1911. Remarks		

Requests the Municipal Councils to express their opinions within one ~~month~~ month as to whether the octroi taxation may be done away with, or if this be not practicable, whether it is possible to reduce the number of articles on which the duty is levied, and also requests them to state

I the places where octroi may be abolished wholly,

II the places where the number of articles taxed may be reduced and the articles on which the octroi may be abolished, and

III whether, in both the above cases, it is necessary to raise the other taxes, rates and rents and if so, to what extent, or what other taxes, if any, should be imposed

2

3 From the Deputy Commr, Chutal-Nagpur Dist No 5222 of 24th June 1911

States that the entire abolition of octroi all at once on the score of there being inherent defects resulting in the collection of this tax will ~~bring~~ result in material financial loss to the several municipalities in the ~~State~~ Dist to the extent of 40 % of their revenue, that it is not possible to make up this loss by increasing the mohalla taxes, that Income tax which has its advantages

nearly as great as those of octroi is only substitute for octroi, that, if Govt should decide on Income Tax there can be no objection to abolishing octroi and that, otherwise, a via media will be to abolish octroi on all articles except cloth and make up the difference by increase in Mohatarfa

4 From the Dy Comr, Tumkur Dist
No 529 dt 26 6 1911

Suggests that octroi on cloth in the Gavagada Municipality and that on cocoanuts, fresh dory, in the Gubbi and Sira Municipalities may be done away with and states that octroi should be ~~[illegible]~~ abolished as soon as we can find other money substitutes and if the above suggestions be approved proposals will be submitted to make up the loss from other sources in the above mentioned three Municipalities and that the remaining Municipalities will also be similarly dealt with later on.

5 From the Dy Comr, Mysore Dist
No 715 dt 30th June 1911.

Submits the following opinions

(1) Octroi need not be abolished either wholly or partially in any the

the Municipalities of the Mysore Dist - as they can ill afford to lose the income from Octroi in their present circumstances.

(2) The present number of articles which pay octroi may remain as it is, and it may even be desirable that some more articles should be added to the list - to increase the revenue under this head.

3) Under the present condition it does not appear feasible to raise the other taxes such as house tax or shop tax which are already complained of as heavy

6 From the Dy Comr, Kadur Dist No 24 dt 17th July 1911

States that, for the present, it is not practicable, especially in the minor Municipalities, to abolish the octroi and replace it by any other source of revenue, and that it is possible to cut down the list of articles subjected to octroi in each Municipality by removing from the list such of them as do not yield an appreciable revenue, and submits a list of the articles proposed to be excluded from

7 From the Dy Comr, Kolar Dist
No 24-5 & 19 dt July 1911.

States that Ackin is one of the chief sources of revenue in Kolar, Chikballapur, Sidlaghatta, Chintamani and Bowringpet Municipalities; that the tax should continue to be levied in these Municipalities till other sources of revenue are secured to compensate the loss that may accrue by the abolition of Ackin, that the income from Ackin which is solely derived from cloth in Mulbagal, Srinivaspur, Bagepalli, Gudibanda and Malur, though small, these Municipalities cannot afford to lose the income and that the income from the cocoanuts, fresh and dry, sugar, jaggery, ghee, sheep & goats oil and tobacco being insignificant in Gauribidnore these articles may be excluded from the list of dutiable articles in that town

8 From the Dy Comr, Hassan Dist
No 29 & 24 dt July 1911

States that the duty levied on fresh and dry cocoanuts ~~[illegible]~~ in all the municipalities in the Dist and that

that on Jaggery, Ghee, Sugar and butter in the Areas of Municipality may be done away with, that the question of introducing Slaughtering fees in the Municipalities where it is not now levied may be considered along with the fixing a small rate of fee on horses in cattle sheds, that similarly the levy of toll on all incoming Cart traffic may be considered for being worked on Contract system and if the system of tolls proves a success then the question of abolishing octroi may be considered.

9 From the Comr, Shimoga dt No 15 dy 27th July 1911.

States that octroi only cannot be abolished in any of the marginally noted municipalities, that without octroi, the municipalities will cease to exist as a self supporting institution, that it is in contemplation to revise the assessment of house tax and that if it should be found to result in an increase counterbalancing the probable loss from abolition

1. Chennagiri
2. Shimoga
3. Ayanur
4. Sorab
5. Kallambella

9

of Octroi, proposals will be submitted on that behalf to Government.

10 From the Deputy-Commissioner Bangalore Dist. No 22 & 2nd Sept 1911

Recommends (1) the abolition of Octroi in the Municipalities of Yelamanchili, Sayapura and Vadigenahalli (2) the conversion of these places into Unions under the Local Boards Regulation, (3) the abolition of Octroi on dry cocoanuts, oil, ghee, jaggery and tobacco in the remaining Municipalities in the Dist. in consideration of the poor income realized from the duty on the said articles, and (4) the imposition of lighting tax not exceeding $\frac{1}{8}$ of the house tax now levied in case it is found that the revision of house and motor taxes by 25% does not bring in sufficient revenue.

11 To the Secretary of State & the Comptroller. No 6981-9 & 26th Jan 12.

Records the correspondence with

with the remark that if any municipal Council or Board is disposed to abolish Octroi either entirely or partially it may do so after submitting definite proposals and obtaining the sanction of Government.

8

R.S 11] 1910.

GENERAL AND REVENUE SECRETARIAT

(Municipal)

NOTES.

File No. 148

FILE HEADING

Abolition or modification of octroi taxation in the municipalities of the State

~~Comptroller and~~ The Financial Secretary (J. S. Chakravarti Esq.)

No. 1001-70 Dated 25-8-1910 Received from J. S. Chakravarti Esq. 31-8-1910

F.R.A.S., F.S.A. Comptroller & Financial Secretary, to the Government of Mysore

Memo No. 2103 Enclos. 2 Spare Copies Serial No. 1

BRIEF ABSTRACT OF LETTER.

Suggests that octroi may be dispensed with as an attempt be made to replace octroi in the municipalities of the State by a reassessment of the rates on holdings, house taxes, market dues, &c & that this question may be tried in the Shimoga Municipality

NOTES AND ORDERS

OTES—First sheet.

GPB—15,000—24-1-09

G. R. S. 12]
General and Revenue Secretariat

ML File No. 148 of 1910

Serial No. 70

bob.
30 8.10

Asst Secretary Branch IV
for a note on the subject
Ktd
30/8/10
up

2 The question whether the system of octroi may be wholly abolished and in that case from what sources the income derived therefrom can be replaced, has been investigated by the Municipal Taxation Committee of the United Provinces and their learned report deals with the subject exhaustively. The Comptroller thinks that "the U. P. Committee had no member on it conversant with the affairs of municipalities in non-octroi provinces" and that "this limited vision made the Committee somewhat nervous about abolishing everything of the nature of octroi altogether." The Comptroller's suggestion is that octroi should be totally

UPB—7,000—27-4-09

D Newman

KH
5/7/12

R.S 11] 1940.

GENERAL AND REVENUE SECRETARIAT

(Municipal)

NOTES.

File No. 148

FILE HEADING

Abolition or modification of octroi taxation in the municipalities of the State

~~brought to the notice of~~

The Financial Secretary (J S Chakravarti Esq)

No. Note No 170 Dated 25-8-1940 Received from J S Chakravarti Esq. ~~3-8-1940~~

To R A S, F S A Compliments Financial Secretary to the Govt of H H the Maharaja of Mysore

Diary No. 2203 Enclos. 2 Spare Copies Serial No. 1

BRIEF ABSTRACT OF LETTER.

Suggests that octroi tax may be dispensed with as an attempt be made to replace octroi in the municipalities of the State by a reassessment of the rates on holdings, house taxes, market dues, etc & that this suggestion may be tried in the Shimoga Municipality

NOTES AND ORDERS

NOTES—First sheet.

GPD—15,000—24-1-00

Serial No.

abolished, that house tax should be made the mainstay of municipal taxation and that the income lost by the abolition of octroi should be replaced by a reassessment of the rate on holdings, trade taxes, market dues &c -

3 The octroi is an indirect tax and the advantages and disadvantages of octroi as a source of municipal Revenue are summarised in Section VII of the Committee's report - For the reasons contained in section VIII, pages 31 and 32, the Committee are of opinion that "the house tax cannot be looked upon as a general substitute for octroi ~~and~~ ~~[illegible]~~ or, as other than a second string of the financial bow". It has come recently within our experience how opposed the inhabitants of certain villages were to the constitution of those villages into Unions merely because it involved the payment

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of house tax Any proposal to increase the present rate of house tax is not likely to be received with favour by the people -

4. The maximum rate of house-tax which may be imposed has been fixed by the Regulation and if any attempt be made to replace the octroi by house-tax, this maximum has to be exceeded. The Comptroller thinks that this difficulty may be avoided by consolidating the house-tax with certain other taxes and imposing a consolidated tax in the manner provided in sec 59(C) of the Municipal Regulation - No doubt, this proviso does not fix the maximum of the consolidated tax but it seems to follow by reading section 59 as a whole that the maximum rate of the consolidated tax should not exceed the ~~maximum rate of any one of the~~ sum total of

Serial No.

the maximum rates of the different kinds of taxes consolidated - The taxes which may be consolidated are (1) house tax (2) general sanitary cess (3) water tax and (4) lighting tax Except in the case of the general sanitary cess, the maximum rates are fixed by the Regulation. The general sanitary cess has not been imposed in the municipalities -

5. In connection with the trade taxes proposed by the Comptroller as one of the sources by which octroi could be replaced, it should be noted that the mohatarfa system of taxation to which the trade taxes correspond, has already been in force in our municipal towns. To replace the mohatarfa system in municipalities governed by the municipal Regulation ~~average taxes collected~~ by the taxes specified in section 59 thereof is extremely

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desirable but it cannot be stated to what extent, the municipal income will increase thereby

6 As regards markets, fees are being levied ~~on~~ in municipal towns in which Bantles are held and rents are levied for stalls built out of municipal funds and belonging to the municipality

7 The Controller desires a practical test of his suggestions and proposes that municipal councils be consulted, the general lines on which octroi may be abolished and its income replaced by other sources being indicated to them - To this, there can be no objection - The statement put up herewith shews that the income and expenditure in many of our municipalities just balance each other and that the income from octroi cannot be foregone without finding some other source to replace the same - The Comptroller ~~as said~~ says that

Serial No.

he knows that the Shimoga municipal Council are willing to try the experiment but Shimoga is the last place where the experiment should be allowed to be tried. an account of its present extremely unsatisfactory financial condition and the need there exists of augmenting its income by increasing the water-rate or finding other sources of income. Further, the water rate is just imposed and the experiment if tried, there is sure to give rise to loud and bitter complaints and it is not at all likely to succeed.

8 If approved, an order will be put up calling for the opinions of the Municipal Councils, as suggested by the Comptroller.

~~Secy~~ 26 9 10 ~~Hill~~

9 There is no doubt much to be said against the octroi & the report of the octroi Commission in the U-P affords very interesting and instructive reading. In Mysore the old saying

Note—Contd sheet

Serial No.

system was so familiar to the people that they saw nothing unusual or troublesome in the octroi which presented so many features of similarity to the larger taxes.

10 In the U-Provinces octroi has been recently abolished in several municipalities and similar action seems not undesirable in Mysore. As has been pointed out in the memorandum of Mr Srinivasaraghavan octroi is an important head of municipal revenue in several municipalities & if it is to be ~~replaced~~ abolished, the house tax will have to be doubled to prevent loss of revenue such a sudden increase of taxation would be very unpopular & also press hard on one section of the people.

11 ~~While the~~ What can & should be done seems to be that the ~~ideal to be kept in view should be~~ the entire abolition of octroi ~~that~~ should be kept in view as an ideal & that in the immediate future octroi may be abolished

GPB—14,000—27-4-20

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in small municipalities such as those noted in the margin where the octroi receipts are very low, & that in other places the number of articles on which octroi is levied maybe gradually reduced. In most of the places noted in the margin the octroi can be taken off without much trouble if necessary a slight increase in the rates of house & mohatarfa taxes (say not exceeding 25%) would put the municipalities on a safe working basis.—

12 In regard to the bigger municipalities the councils maybe consulted in the manner suggested by the Comptroller & Inl Secy.

1. Hankanhalli (330)
2 Anekal (567)
3 Sanjapura (281)
4 Srinivasapura (242)
5 Mulbagal (420)
6 Bagepalli (29)
7 Gudibanda (121)
8 Malur (125)
9 Pavagada (78)
10. Heggadedevankote (205)
11 Periyapatna (450)
12. Bannur (503)
13. Krishnarajpet (497)
14 French Rocks (424)
15 Channagiri (434)
16 Honnali (391)
17 Nyamti (213)
18 Sorab (285)
19. Kallenkatte (153)
20 Yedehalli (250)
21 Harihar (713)
22. Hagadunga (139)
23 Molakalmuru (388)

a pp in gin give | Octroi range octroi ipts for the ee years 1907 to 1909.

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R. S. 12]
eneral and Revenue Secretariat.

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Serial No.

13 With reference to Shimoga, where Mr Chakravarti thinks a trial can be made. I am not so sanguine as he is but there is no harm in asking the municipal Council to make a trial if they are so inclined. From the fact that there is no provision for refunds in the municipal budget & from the facts noted in a memo by Mr Nirthyanyana Aya when vice-president of the Shimoga town municipality there is no doubt that octroi administration in that town is very lax & presses lightly on the trading community. In Shimoga no separate lighting tax is levied & such a tax ~~may to some extent make up for the loss of octr~~ would be one of the ways in which the octroi may be replaced.

CST
3/4/11

1842

3 6 11

2588
5 4 11

14 The opinions of the Deputy Commr, Presidents of Municipalities may be invited (excepting the city

x—Contn. sheet.

BR

R S. 12]
ural and Revenue Secretariat.

Mil File No. 184-8 of 1910

Serial No

Municipal Councils of Bangalore & Mysore) Please put up draft for Dewan's approval

KRM
5/4/11

15 Put up draft

C Gopalaswami Aiyangar
5/4/11

16 Draft of letter in Tamil
(Ref 1180 Reg 17 Dec) 19 4 11

17 4 19 11 18. Sec & Dewan
C S Balaswami

26/4/11

26-4

19 may be approved

KRM
29/4/11

20
(1) Draft approved - "Confidential"
29 4 11

P 52.
3.5.11

(2) Please obtain a copy of the U P govt (Sir John Hewett's) resolution referred to in telegram in Govt of India of 16 March 1911
15 May 11

21 (1) ~~Draft reply~~
(2) write to the U P Govt

P 2-10.

Contn. sheet.

R. S. 12]
General and Revenue Secretariat.

Jul File No. 148 of 1910

Serial No.

22 Ten copies of the order have been received. ~~Every~~ A copy shall be submitted to the Dewan

18.5.11 Mee

2 To the Dy Comrs of Dists No 9611-8 Jul 148-16-2 dy 20.5.11

Requests the Dy Comrs to express their opinions within early month as to whether the Octroi taxation may be done away with or if they be not practicable, whether it is possible to reduce the no of articles on which the duty is levied and also requests them to state

I The places where Octroi may be abolished wholly,

II The places where the number of articles taxed may be reduced and the articles on which the Octroi may be abolished

& III in both the above cases, whether it is necessary to raise the other taxes, rates and rents and if so, to what extent or what other new tax, if any, should be imposed.

3 The Dy Comr, Chittaldroog Dfl. No 522 dy 24th June 1911

States that the entire abolition of octroi all at once on the score of

SPG—55,000—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

Ind File No. 148 of 1910

Serial No.

of there being inherent defects in the collection of the tax will bring in material financial loss to the several poor municipalities in the Dist. to the extent of 40% of their revenue, that it is not possible to make up the loss by increasing the Mohallafa taxes, that income tax which has disadvantages nearly as great as those of octroi is the only substitute for octroi, and that if Govt should decide on income tax there can be no objection to abolishing octroi, otherwise a via media will be to abolish octroi on all articles except Cloth and make up the difference by increase in Mohallafa.

23. Submd for information. Replies from other Dists are due. Reminders were issued on the 21st inst. Weekly reminders will be sent till replies from all the Dy Commrs are received.

HMKSD 24.Yes
28 6 1911 28 6-11 [illegible]

P. 7. 0.

Note—Contin. sheet.

G. R. S. 12]
General and Revenue Secretariat.

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4 From the Deputy Commissioner Tumkur Dist No 529 & 26.6.1911

Suggests that Octroi on cloth in the Savadatti Municipality and that on cocoanuts, fresh and dry, in the Gubbi and Sira Municipalities may be done away with and states that if the above suggestions be approved Octroi should be done away with as soon as we can find other unobjectionable substitutes, and if the above suggestions be approved proposals will be submitted to make up the loss from other sources in the above three municipalities and that the remaining municipalities also will be similarly dealt with later on.

5 From the Dy Commr Mysore Dist No 715 dt 30th June 1911.

Submits the following opinions

(1) Octroi need not be abolished either wholly or partially in any of the municipalities of the Mysore Dist as they can ill afford to lose it under the present circumstances

Note—Contn sheet.

G. R. S. 12]
General and Revenue Secretariat.

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Circumstances.

(2) The present number of articles which pay octroi may remain as it is, and it may even be desirable that some more articles should be added to the list to increase the revenue under this head

(3) Under the present condition it does not appear feasible to raise the other taxes such as house tax or shop tax which are already complained of as heavy.

25 Submitted for information
[illegible] 26. Seen
10-7-1911 11-7-11

b For the Dy Comr, Karan Dist. No 244 Dy 17th July 1911.

States that, for the present, it is not practicable, especially in the minor municipalities, to abolish the octroi and replace it by any other source of revenue and that it is possible to cut down the list of articles subjected to octroi in each municipality by now owing from the

Note—Contin. sheet.

Serial No.

the list of the Municipalities as do not yield an appreciable revenue and submit a list of the articles proposed to be excluded in each Municipality

27. Submitted for information.

28 Seen

24-7-1911 27 7 11

7 To the Dy Comr, Kolar Dist No 45 of 19 7 1911

States that Octroi is one of the Chief Sources of revenue in Kolar, Chikballapur, Siddaghatta, Cheintamani and Bowringpet, that the tax should continue to be levied in these Municipalities, till other sources of revenue are secured to compensate the loss that may accrue by the abolition of Octroi, that the Octroi income, though small in Mulbagal, Srinivaspur, Bagepalli, Gudibanda and Malur, though small, these Municipalities cannot afford to lose the income and that the income from the marginally noted sources being insignificant in Kolar Government may these articles may be excluded from the list of dutiable articles in that town

29 Submitted for

[illegible] fresh dry [illegible], Jaggery, Oil and goods, Oil, Tobacco.

Note—Contin sheet.

K Bera

G R.S 12]
General and Revenue Secretariat

MP File No 148 of 1910

Serial No

for information
HK 30 After all the
27.7.1911 reports are received,
please prepare a state-
ment showing briefly the
opinions of the Deputy Comrs
on the questions raised.
28/7-11 Kle

8 To the Dy Comr, Hassan Dist
No 29 dt 24 7 1911
States that the duty levied on
fresh and dry Cocoanuts may be
done away with in all the Mulks
of the Dist, and the duty on Jaggery,
Ghee, Sugar, & butter in the
Hassan Mulk may also be abolished,
that the question of introducing
Slaughter house fees in the
Mulks where it is not now levied
may be considered along with the
proposal of a small rate of fee on
hide in Cattle & hides, and that
similarly the levy of toll on all
incoming Cart-traffic may be
considered for being worked on
Contract System and if the system

17

sheet

GPE—60,000—12 8 10

G. R. S. 12]
General and Revenue Secretariat.

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of tolls proves a success then the question of abolishing octroi may be considered.

31 Submitted for information

32. The instructions in para 30 supra is noted

H W R 80
31. 7. 1911

(1.) 9 From the Dy Comr, Shimoga Dist No 15 — Dy 27. 7. 1911

Shamagiri Hosnalli Nyamti South Kallambella

States that octroi duty cannot be abolished in any of the marginally noted municipalities, and that without octroi, the municipality will cease to exist as a self-supporting institution that it is in contemplation to revise the assessment of house-tax, and that if it should be found to result in an increase counterbalancing the probable loss from abolition of octroi, proposals will be submitted on that behalf to Govt.

(1.) 10 From the Dy Comr, Bangalore Dist No 23 Dy 2. 8. 1911.

Recommends the abolition of octroi in the municipalities of

Note—Contin. sheet.

Kaeseau

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of Tyamagondlu, Sarjapur and Vadigenahalli (2) the conversion of these places into Unions under the Local Boards Regulation (3) the abolition of octroi on the marginally noted articles in the remaining municipalities in consideration of the poor income realized from the duty on the land articles, and the imposition of lighting tax not exceeding 1/8 of the house tax now levied in case it is found that the revision of house and mohatarfa taxes by 25% does not bring in sufficient revenue

x
y cocoanuts
oil
ghee
Jaggery
& Tobacco

22 ~~33~~ A statement showing the opinions and recommendations of the the Deputy-Commissioners as put up ~~as directed in para 3 supra~~

84

~~34~~

1	Chetabrong		
2	Tumkur		Paragada. Cloth Gulla } Cocoanuts Sura } fresh and dry

income from Octroi on cloth alone about Rs 11,000 while on other articles it is about Rs 3,000 thus making a total of Rs 14,000 from Octroi annually in all the Municipalities. By abolishing Octroi Municipal revenue will go down about 40 %. The revision of the ace and Mohatarfa taxes will not as much as to make up the loss in the proposed abolition of Octroi. The only alternative is the imposition of an income tax which has disadvantages nearly as great as Octroi. If Govt should decide on income tax, there can be no objection to abolishing Octroi. Otherwise a medium will be to abolish octroi on all articles except cloth and make the difference by increase in the Mohatarfa

begin with these duties in the Municipalities named in para 4 may be ordered to be abolished. Octroi duties are obstructions to trade and should be done away with as soon as other unobjectionable substitutes are can be found. If the Govt approve of these suggestions, proposals will be submitted to make up the loss from other sources. Particularly the dutiable articles in the other Municipalities will be submitted later on.

⊗ 'these duties' are understood to mean the duty on cloth in Devalpada and on cocoanuts, fresh and dry, in Gubbi and Sira.

The financial condition of the municipalities of Gubbi and Pavgada is unsatisfactory. The balance is on the minus side

3 Insane

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tax upon the
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Chasing article
tax payer in di
The levy of outra
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are most easily
taxation is Bitter

to make good the
tion of action it
and that the land
that it will bear
of home tax pre
is already borne

or ~~[illegible]~~
much greater
of people than

that (1) Ostr
or partially
the District
their present

By Comm says that as follows

The formation of Municipalities at Jabalpur
& Quarters and other important
ces is intended for the improve-
nt of those places in respect of
station and public works such
roads, water works etc The abolit
of Octroi without a less objectionable
more convenient substitute will
ly affect the carrying out of these
s and it may not be possible to
to State funds

The Octroi is a "certain" and
an "unbetrayed" tax

The Octroi is only an indirect
and it allows men to pay it
hour i.e. at the time of pur-
there is minimum hardship to the
as he is unaware to its levy
protective only and as such does
tore and as it is imposed merely
there is nothing objectionable

This kind of indirect taxation
ed by economists on the ground
such articles of general consumption
ed on as much as the burden of
over the whole body of population

As regards the raising of house tax
that may be instituted by the abolit-
pointed out that there is a direct tax
is objected to on the ground
house building The present rate
in the several municipalities
high.

The substitution of income tax
thing like it will be really as
hard to poor and middle classes
or" can be.

These reasons he concludes
not be abolished either wholly
of the municipalities of
can ill-afford to lose it under

				which may be desirable to the list to and that appear permit tax or shop to heavy. All Municipalities lighting. Con the abolition of Consideration
				with a better ch proper and resp enforcing the fringe of shop ch as in the special a more satisf municl Commis supervising made to feel
4	Kadur	~~Yedehalli Jaggery and Tobacco~~	Yedehalli { Jaggery and Tobacco Chikkana-Galur { Dry Coconuts, Butter, Buffaloes and cows Tarikere { Dry Coconuts, Ghee, Butter Birur { Coconuts, Tamarind, Sugar, Ghee, Sheep & Goats Kadur { Coconuts, Ghee, Sheep & Goats	

the present number of articles
y remain as it is, and it may even
re articles should be added
revenue under this head.
t condition it does not
ne other taxes such as house
are already complained of as
Hard Quarters are at present
they should be deprived of
and useful public works by
is really a matter for serious

Com is of opinion that
the action collection by employing
for the purpose by rigidly
the case of Smugglers and in-
and by offering rewards to informers
the action may be placed on
ed substantial footing The
more a useful agency in
than work of they can be
responsibility in the matter

the present it is not practicable
cally in the mean manor Mu-
alities, to abolish the action
replace it by any other
ce of revenue At the same
it is possible to cut down
st of articles subjected to
n in each Municipality by
ving from the list such of
as do not yield an appre-
le revenue -
The Dy Com seems to think
Matting are permitted to buy
n carts, it would yield a
tantial income and that the
n may be abolished.

5	Kolar		Gonibidanur Coconuts, fresh Do — dry Sugar Jaggery Rice Sheep & goats Oils Tobacco	
6	Hassan		All the months in the year Coconuts fresh Do dry Hassan Jaggery Sugar Rice Rowlers	

The question does not seem to have received the consideration it deserves at the hands of the Govt. We simply that octroi cannot be done away with in any of the municipalities in the Dist. nor can the number of articles on which the duty is levied be reduced except in Gorakhpur

octroi is a rich source income to municipalities. Consequently it is undesirable present to do away with octroi as a whole, in any of municipalities. Reduction of articles taxed is possible as shown in colly. municipalities may levy fees for slaughtering cattle and on the sale of hides. If the income from these sources be insufficient, question of levying a small tax of toll, say one anna, on carts may be sanctioned. This will go a great way to improve the financial condition of the municipalities without at the same time giving room for oppression by low paid officials in as much as the levy of toll may be farmed out. The levy of tolls shows fairly good financial results. The question of abolishing octroi on the remaining articles & increasing house & mohalla tax is

7	Shimoga			
8	Bangalore	Tyamagondlu Sarjapur Vadigenhalli	All the mulks in the Dist. Coconuts, dry oil Ghee Jaggery Tobacco	

15.8.1914

attend octroi municipalities will cease to exist as self-supporting is in contemplation to raise the assessment of house-tax and if it should be found to result in an increase countervailing the probable loss from abolition of octroi, proposals will be submitted to Govt. that behalf.

The Dy Comr does not seem to have considered the question of abolishing octroi as a general one. From his letter it would appear that only the cases of the 5 municipalities attended to in our letter to the Dy Comr have been taken into consideration and the others have been left out

entire abolition of octroi at the hands of our municipal administration is neither possible nor desirable, but it should be the aim to be aimed at in the least future.

Wherever the number of articles taxed, a small lighting tax not exceeding one-eighth of the amount of house tax now levied may be imposed, better provided revision of the house and water tax as by 25 of does not bring sufficient revenue to recoup loss.

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General and Revenue Secretariat.

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84 The opinions of the Dy Comrs are briefly as shewn below:

(i) The Dy Comr of the Chitaldroog Dist is of opinion that octroi may be abolished entirely if the municipalities are permitted to levy income tax, otherwise, he says, that the duty on all the articles except cloth may also be done away with and the mohatarfa tax increased to compensate for the loss

(ii) The Dy Comr of the Hassan Dist. recommends the abolition of octroi on cocoanuts fresh & dry in all the municipalities and on certain other articles in the Hassan Municipality. To make up the loss he proposes the levy of Slaughter house fees and fees on the sale of ~~[illegible]~~ liquor in hotels. If there be no sufficient income from these sources, toll on carts should be levied. If

Note—Contin sheet.

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If the income from these sources improve the finances of the Municipality then the question of abolishing octroi entirely and revising the house and mohalla taxes may be considered. That octroi being an indirect tax is almost invisible in its effects & that it is not felt in the same way as any direct tax which immediately injures the pocketing of tax-payers is the opinion of the Comr.

(iii) The Dy Comr of the Kadur Dist is of opinion that it will not be an easy matter to replace octroi ~~tax~~ by any other tax which will not be considered oppressive by the residents. House tax in the senior municipality has, he says, reached the maximum prescribed and may not be capable of enhancement. He advocates the levy of tolls which, he says, may be expected to yield a substantial revenue. The Dy Comr. seems to think that the tax while being free from the evils attending octroi would not result in financial loss to

GPH—80.00s—12-8-10

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to Municipalities

(IV) The Dy Comr of the Tumkur Dist- which opines that octroi duties are an obstruction to trade & should be done away with as soon as "we can find other unobjectionable substitutes. He adds that if the Govt approve this (and other suggestions for the reduction of the dutiable articles in certain municipalities) suggestion proposals will be submitted to make up the loss from other sources

(V) The Dy Comr of the Bangalore & Colar considers that the entire abolition of octroi at this stage of our experience of municipal administration is neither possible nor expedient, but that it should be the object to be aimed at in the distant future

(VI) The Dy Comrs of the Kolar and Shimoga Dists have

Contn sheet

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have not fully considered the question in all its aspects. The Collr. Shundy Dist. simply states that the Octroi cannot be done away with in the Municipalities mentioned in our letter of the 20th May 1911 while the Dy Comr, Kolar Dist opines that it cannot be abolished in any of the municipalities in his Dist.

82 2

(VII) The Dy Comr of the Mysore Dist is averse to Octroi being abolished. Instead of reducing the number of articles now being taxed he says that some more articles should be brought under taxation. The Dy Comr is of opinion that the Octroi is an ~~unobjectionable~~ unobjectionable tax. ~~His opinion~~

35. The opinion of the Mysore Comr, Mysore Dist. is based on that of Mr Hebbikar who belongs to the Bombay Presidency where the Octroi has been in existence. The Octroi is levied on almost all grains and other articles of domestic need. For example attention is invited to the Schedule of

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of articles on which Octroi is levied in the Dharwar Municipality. The resolution report of the Municipal Taxation Committee of the United Provinces and the order resolution of the Govt of those Provinces might have been forwarded to the Bombay Government It would be interesting to know what their policy on the matter has been since.

36 The Statement referred to in para 33 Supra shews where octroi may be abolished entirely and where partially. The recommendations of the Dy Comrs may be approved.

37. The Dy Comr of the Bangalore Dist recommends the conversion of Thyamagondlu, Sarjapur and Vadigenhalli into Unions under the Local Boards Regulation. This recommendation deserves consideration

Note—Contin sheet.

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~~38~~ The suggestion of the Dy Commrs of Kadur & Hassan to permit municipalities to levy tolls does not commend itself to Govt for reasons given in their Proc No 1660 Mul 175-09-4 dt 17 Apl 1910

T

~~39 Dr Dr Bangalore submitted for consideration that~~

8/10

25 39 In para 5 of his letter No 23 dt 2 8 1911, the Dy Comr of the Bangalore Dist ~~that~~ states "that in the case of regulation Municipalities, if the octroi is abolished, the recoupment of the loss by raising the value of houses is not a matter entirely within the discretion of Govt Officers" In this connection attention is invited to Secs 73 & 74 of the Mysore Municipal Regulation. "~~Raising the value of houses~~" ~~in~~ The income has to be improved by raising the rates on house, and lands and not by "raising

26

GRS—50 00 — 12-8 10

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"raising the value of houses" as stated by the Dy Comr
Submitted for orders

15 8 1911. 26

40. The total abolition of the octroi is not agreed to by any of the Deputy Comrs. Except the Deputy Comr. of Mysore, the others have no objection to a reduction of the number of articles on which octroi is now levied - The income-tax or in other words, the tax on arts, professions &c is regarded as defective as the octroi and is not approved of as a substitute for the latter. The extent to which the present rates of house and mohatarfa taxes may be raised and the probable increase in the income which may be expected by a revision of the taxes has not been stated in any case except French Rocks, Krishnarajpet, Mandya and Nagamangala and the

Note—Contn sheet.

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information furnished in the case of these four municipalities is meagre and insufficient.

41 For purposes of experiment, one municipality may be selected in each District, whose financial condition is sound and which can bear the loss, if any accrues. The selection may be left to the Deputy Comr. and he may be requested to make the selection in consultation with the Municipal Council concerned. The house and other taxes may be enhanced in that municipality to the extent ~~[illegible]~~ necessary, permitted by law, and fresh sources of income, if any, tapped and the octroi ~~[illegible]~~ may be abolished ~~[illegible]~~ temporarily either entirely or on all articles except piece goods.

~~Secy.~~ 18 8 11 ~~[illegible]~~

28 42. In view of the opinions expressed by the Dy Commrs. the practicability of abolishing octroi even on an experi-

Note—Contin sheet.

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-mental scale seems remote the existing state of things maybe allowed to go on, until public opinion as represented by municl Councils feels the necessity of replacing octroi by other taxes.

11/9/14

29 This is a big question and maybe brought up after the Dasara

13/9/14

IV

14/9/11

30 The submitted for orders

19.10.11

31 If any of the municipalities are disposed to try the experiment, we may let them do so. But definite proposals

Note—Contn. sheet

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should be submitted & sanction obtained.

20/10/11

32 Public draft rescinding the rights with remarks as above –

20/10/11

33 Draft of an order is submitted.

26 10 11

26.10.1911

1st Secy

35 49 1st Secy

27/10/11

36 May be approved

27 10-11.

29/10/11

37 (1) Draft approved (2) Please circulate

30 10-11

Present Nominations for approval also before issue

38 Sub to 1st Secy

5/3/12

Note—Contin sheet.

BVW

756 30

G. R. S. 12]
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39.
~~53.~~ The draft is all right.
[I should like to see the U.P. Govt. Res^n referred to by the Dewan.]
6/8/12

22 ~~Quantity.~~
~~The resolution referred to is in the file (with flag 4)~~
~~7/8/12 Seen thanks~~
~~8/8/12~~

~~C.O.~~
~~Sep. 2 etc~~

41 Seen
(D.D.U.)
18/8/12

51

42 Issue draft
13/3/12

11 To the Secy. Govt. of India & the Govt. No 6981-9 & 26-3-1912.
Records the correspondence with

Note—Contd. above.

G. R. S. 12]
General and Revenue Secretariat.

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forth the remark that if any Municipal Council or Board is disposed to abolish octroi either entirely or partially it may do so after submitting definite proposals and obtaining the sanction of Govt.

24/12

32

Note—Contin sheet

1. ಸಂಶೋಧಕರ ವಿದ್ಯಾರ್ಥಿಯ ಪರಮಾನಗಿ ಲಿಪಿ ಸಂಖ್ಯೆ : Ars/RRS 2001

2. ಕಡತ ಸಂಖ್ಯೆ: ಮತ್ತು ವರ್ಷ : 1. 1910
2. 155 of 1910
3.
4. 1-4
5.

3. ಅಧ್ಯಯನದ ವಿಷಯದ ಸಂಕ್ಷಿಪ್ತವಾಗಿ ಆಕರ ಶೀರ್ಷಿಕೆ : Construction of Steps on the East side of Mr Ganagaka Doddanna Setty's School in Mine City

4. ದಾಖಲೆಯ ಭಾಷೆ : -

5. ಪೂರ್ಣ ಹೆಸರು (ಸ್ಪಷ್ಟ ಅಕ್ಷರಗಳಲ್ಲಿ) : Prof Sunheela. G 6 2001

23/6

Venkatacha [illegible]

k 26 [illegible]

[illegible]/517

Note No. 870, dated 26th August 1980, from J. S. Chakravarti, Esq., M.A., F.R.A.S., F.S.A., Comptroller and Financial Secretary to the Government of Mysore.

read. Though I do not agree with Mr Srinivas Iyengar's conclusions I am glad to say that he has discussed the subject with clearness and ability and his note is really a very good one.

2. If Govt are desirous of taking any action in the matter and in my opinion action should certainly be taken — I would suggest action in the direction of practical test rather than of theoretical discussion. Let some municipalities be selected and let an attempt be made to replace octroi in those municipalities by

53

a reassessment of the rates on holdings, trade taxes, market dues &c. I have reason to believe, for instance, that the Commons of the Shanagan Municipality will be ready to make an attempt in the direction if permitted by Govt. If a few municipalities demonstrate by actual working that they can do without octroi, others may gradually follow the example; and an impost the existence of which forms one of the most serious obstacles in the way of securing purity of Municipal administration may in course of time disappear.

The details as to how the loss of income owing to the abolition of octroi is to be made good, should be suggested by the Municipal Commons themselves. Govt will only indicate the general lines on which action may be taken. The bulk of the loss will perhaps be made good by a revision of the assessment on the rates on holdings. But the trades which now for the

most part pay the octroi duty should be suitably toned. After the detailed plan is received from the Municipal Commrs it should be scrutinized by Govt and the arrangements sanctioned with such modifications as may seem necessary

There is one difficulty in the way of carrying out the above plan. If octroi is to be abolished, the rate on holdings may have to be substantially raised. Of course strictness of collection will considerably improve matters over the circumstances existing at present, but the legal maximum of 6 per cent on the annual letting value or 8 as per Rs 100/- on the value itself prescribed in Sec 59 (b) of the Municipal Regulation seem too low for non-octroi conditions. Some provinces in which octroi is not levied manage with a legal maximum of 7½ per cent and if an earnest endeavour is to be made for getting rid of octroi, it may be necessary

34

to raise the legal limits referred to above.

Immediate legislative action does not however seem to be necessary to give effect to the suggestions referred to above viz to test the practicability of replacing octroi by other taxes in selected municipalities.

Clause (c) of the proviso of sec 59 of the municipal regulations provides for the levy of a consolidated tax under certain circumstances and the maximum of such consolidated tax does not appear to be laid down By adopting a suitable rate for the consolidated tax the difficulty referred to in the above paragraph may perhaps be avoided.

I would leave the City Municipalities alone for the present and would take up their case only when difficulties arising in the case of other municipalities are successfully got over.

J S Ramaswami.

26/8/20

Dewan Chairman Commission

(Enclosure)

A/c Local Funds

The Octroi is theoretically a very sound method of raising Municipal Revenue but in actual practice in India there are some very great drawbacks as regards this source of income.

The greatest of these drawbacks is difficulty of preventing leakage. It is an admitted fact that as regards Octroi the people pay much more than the Municipalities receive. It is not an exaggeration to say that the practical difficulties in the way of working the octroi system efficiently and without loss are almost insuperable.

So long as Octroi will be one of the chief sources of revenue of our Municipalities it will be practically impossible to eliminate corruption from the machinery of Municipal administration.

The system of farming removes the evil to some extent so far as the Municipalities are concerned but the evil remains

revenues are concerned. The wide margin between the amount taken from the people and the amount which goes to the Municipal funds remains and the corruption simply passes on to some extent from Municipal employés to the servants and agents of the farmer.

Irrigation.

In some provinces in British India there is no octroi and in one where octroi is the chief source of municipal revenue the Govt. are contemplating measures for its abolition. A well regulated tax on owners & occupiers of holdings within Municipal limits seems to me to be a much better system of raising municipal revenue than octroi. The chief advantages of this system are. that it can be easily controlled & that there is less room under this system for leakage and corruption.

U P

I shall be obliged if you can find out whether the question was discussed before and if so with what result.

But the trades which now pay

You can consult the Legal Fund Section of the Secretariat unofficially for such information as you may require. The point for consideration is whether it is practicable to do away with the octroi in Aden by substituting a suitable hereditary in its place.

Please submit your note on the above subject within three months from this date

JR
8/11/09

Vide typed note submitted. If further instructions regarding the line of enquiry be wanted, then the investigation will be continued.

JR
20/1/1910

36

payment of commission. The cost of

The point for consideration is whether the Octroi system of taxation can owing to its inherent defects be replaced by some well-regulated direct tax say the House Tax in the Municipalities in Mysore - -

---

Every tax whether direct or indirect is, it must be admitted, felt as an inconvenience by the people - - no tax however light is paid ungrudgingly by all the people on whom it is levied. Collection of funds by means of taxation for public expenditure being necessary it is merely a question of degree as to which kind of tax is most suitable to a particular locality or people.

Two of the most essential points of a good tax are that it should be so framed that the whole amount paid by the tax-payer should go to the Public Treasury and secondly that it should be collected with the least annoyance or inconvenience to the Public or to trade. In these two essential attributes the Octroi tax is found wanting. On the other hand there are certain important advantages claimed for it. In the first place the Octroi or Town duty is an old tax and is accordingly popular. " An old tax is no tax " is a well known adage.

87

not so unpopular as methods of direct taxation MR

The tax being a customary one for - - centuries and collected in such a way that the burden on individual trans- uni- actions is small, the people do not sary it is argued, feel the pinch of the - - taxation. In the 2nd place the tax is safe- said to be most productive, growing - ience with the prosperity of the town, be- l - cause it is contributed not merely by - - all classes of Municipal residents, but also by consumers in outlying - - villages who happen to have transactions in the town.

2. It is unnecessary to discuss here in detail the merits or demerits of this system of indirect taxation. It has now been recognised by - - statesmen and financiers that it has certain inherent defects - - which far outweigh the several advantages claimed for it. he collection of the tax by an inferior staff over whom there cannot be proper and effective control, the existence of - ample opportunities for fraud and peculation in t e way of putting the - - public to unnecessary annoyance, the administration of the tax operating - as a serious hindrance to through trade, and the difficulty of obtaining refunds on articles which have - been already taxed once,- these are so e of the salient defects of the

88

system. The most convincing argument for condemning this tax in these days of advanced civilisation and progressive administration is that the trouble and annoyance to the public and to the trade increases in proportion to the improvement in the efficiency of Municipal administration or in other words this system of taxation would induce a system of hostility of interests between the Municipality and trade. (Here I would offer a simple illustration from my own personal experience. Very recently I happened to travel to Mysore from an outlying village with a dutiable article in my carriage. At the Cooked I mentioned the fact to the Octroi official on duty and offering the necessary duty called upon him to grant a receipt He explained to me that he was not empowered to grant a receipt, that the responsible official had gone home and that I should wait or depute somebody to wait in my behalf with the article at the barrier till the official returned and passed a receipt. The article in question was worth a little more than a Rupee and the duty levied thereon was little less than 4 annas but the delay, trouble and annoyance to me was so great that I thought it not worth my while to take the article into the town and so these sires are good

39

Daly

[illegible]

[illegible]

40.

Octroi in individual Municipalities - not by means of raising or enhancing - a Direct Tax, e.g. a House Tax, but by imposing new taxes such as a quit tax or surcharge on Railway Tickets, are being considered, but it is said that wholesale abolition of the Tax in the Punjab under present conditions is - out of the question.

In Mysore, Octroi likewise is the chief source of revenue of Municipalities and contributes about - - 41% of the total income from taxation, the ~~income~~ revenue from House Tax, the next important source, being only 26%.

Statement- VII

5. The question of abolition - of Octroi in Municipalities was once - incidentally raised in 1891 in connection with the difficulty of regulating the system of refunds of Octroi - on goods passing through more than - - one Municipality. The Durbar had then the advantage of witnessing the effect of the abolition of the Octroi in the Civil and Military Station of Bangalore 5 years before.

In answer to the suggestion made by the late Mr. Thumbu Chetty, a member of Council for abolishing - - Octroi - an inquisitional and objectionable tax - the late Sir K. Sheshad

Iyer observed as follows:- " Theoretical perfection in taxation is rarely attainable in practice. Octroi is the best under all the present circumstances. It is less unpopular and less paying than any in the long list of Municipal taxes which are elsewhere imposed. The question of refunds is somewhat intricate but I do not think abolition of Octroi and substitution of Cart tax (a proposal made by Mr. Chentsal Rao) will be a satisfactory solution. Octroi is the mainstay of revenue. To get the amount of the present Octroi Revenue from Cart tax or tolls we must needs resort to rates most objectionably high When some years ago Civil and Military Station abolished Octroi I predicted they would find no suitable substitute. That prediction has now come to pass and the Civil and Military Station are reintroducing Octroi.

If we make the rate on holdings the main stay the list will not be long M

6. It may not be out of place to refer in some detail to the circumstances under which Octroi was once abolished and re-imposed in the Cantonment of Bangalore. At the instance of Major Maltby, the President of the Bangalore Cantonment Municipality and on the recommendation made by the Municipal Board the Octroi (on tobacco, betel leaves and dry and green coconuts)

which was yielding a net revenue of - R.35,000/- was abolished by the Resident with effect from 1st April 188 on the ground that these duties were vexatious to the public and that their abolition would be a salutary measure for many reasons and one which ought not to be opposed. The deficiency - caused by the abolition of these duties was first ~~profoundly~~ proposed by Major Maltby to be made good (1) by raising the house tax from 5 to 7½% and (2) by imposing heavy fees on slaughtered animals viz. Cattle, Sheep, Goats and Pigs. Owing to the very strong opposition - to the raising of the house tax, the - levy of a lighting rate of 1% and - - license fees on shops for the sale of tobacco and betel leaves together - - with the enhanced fees on animals - - slaughtered at the Municipal Slaughter House were sanctioned. In December - 1889 i.e. within a period of 3 years during which the Octroi tax was not - Collected, a proposal was made by the Municipal Board that the Octroi tax - on tobacco and betel leaves should be reintroduced in the Civil and Military Station with a view to provide - funds for the effectual Drainage, Sanitary and other improvements in the - - Station and after some discussion the

the levy of Town Duties on Tobacco, Betel leaves, and cocoanuts was sanctioned with effect from April 1892. To Minimise the inconvenience to the public exemption was however granted in favour of bonafide travellers or passengers bringing a specified quantity for personal consumption in a Railway train. From 1900 the list of the Octroi Schedule was expanded by the addition of the important articles Viz. piece goods, timber and others with the result that the Octroi Revenue has more than doubled. It now contributes in the Civil and Military Station almost as much as the House Tax Viz. 32% out of the total of 2½ lakhs. As in the Punjab, the Trades Association in the Civil and Military Station have been clamouring for the abolition of the Octroi. A few days ago they ~~repented~~ represented to the Resident the serious inconveniences to which they are put by the Octroi officials and that the evil ~~could~~ cannot be removed but by the total abolition of the tax. But the Resident seems to have replied to them that a radical cure was impossible in the depleted state of the finances of the Municipality and that possible improvements in the administration of the tax would however be effected.

Administration Report for 87-88 & 91-92

14

7. In the sister Municipality of the City of Bangalore the income from taxation does not far exceed 2 lakhs while the total receipts from all sources are only about 3 lakhs as compared to $2\frac{1}{2}$ and $4\frac{1}{2}$ lakhs in the Cantonment. In fact the Municipalities in Mysore including the two city Municipalities are poor. They are unable to bear their proper share of burden in the way of providing primary education or medical help to their citizens. If it is possible to tap new sources of taxation so as to increase their finances, they ought not to let slip the opportunity. In this state of things, the abolition of Octroi by substituting any other tax may at the outset seem to be out of the question. On further consideration it will be seen that the discussion may lead to useful results and that it may be possible to abolish or reduce Octroi in all or most of the minor Municipalities. The Municipal Taxation Committee in the United Provinces were decidedly in favour of abolishing the Octroi in small Municipalities where the income is comparatively insignificant when compared to the amount of trouble and worry to the people, where the cost of collection is high and where the

I do not agree.
M.

46

the agents, engaged in the collection and supervision, are level [illegible] [illegible], the opportunities for fraud, oppression and corruption being proportionately great.

annual income 92

The Octroi income in the municipalities in Coorg ranges from Rs.37/- in Somwarpet to about Rs.[illegible],000/- in Chikmagalur. There is no doubt of the fact that Octroi has been very productive everywhere and that but for the growth in that revenue simultaneously with the increasing demands the municipalities would have been in a worse condition. Taking the last quinquennium 1903-4 to 1908-9 we find that the total revenue amounted from Rs.[illegible],[illegible],00 /- to Rs.[illegible],[illegible],000/- and that of the income of one 1-4th octroi alone contributed Rs.[illegible],000/- while House-tax has remained stationary, if it has not lagged behind. In 1907-8 the former contributed 37% of the total, and House-tax 31% and in the latter one the percentages were 41 and 33 respectively. In Bangalore and Mysore cities the Octroi has shared in the general growth of the revenue, as the advance in the municipal income has been more marked.

47

16

octroi was levied, while in the later year only 85 Municipalities had that form of taxation. Of course allowance must be made to the two circumstances, Viz.(i) that a large amount of House-tax has remained uncollected year after year the percentage of collection being only about 57% of the demand, and (ii) that new items have in some cases been included in the Octroi Schedule. But these are matters not materially affecting the main point, Viz. the productivity of the Octroi tax.

Of course if rate on holdings is made the mainstay of Municipal revenue, the collections will have to be much better. There are provinces where anything less than 95% is regarded as unsatisfactory collection requiring punishment of collecting staff. I have seen municipalities with 100% collections!

OM
5/8

8. With these general observations, let us now proceed to discuss the cases of the city and the minor Municipalities in some detail and see how the replacement of Octroi by House tax will probably work in actual practice.

48

BVR

9. Bangalore. In Bangalore City the income from Octroi after deducting refunds was in 1908-'09 Rs.77,000 out of a total revenue from taxation of 204,000 or nearly 37 per cent while the House Tax contributed 42,000 or 20 per cent. It is at once evident that there is a striking contrast between the City and the Cantonment in this respect. For though the Octroi revenue in both places is about the same, the income from House Tax in the City is only about half of that in the Cantonment. This is due to 2 or 3 reasons. One is that the percentage on annual rental value is 5 per cent in the City against 8 per cent (including scavenging tax of 2 per cent) in the Cantonment, and the second, that the percentage of collection of the demand in the latter is much greater than in the City. The greater income in the Cantonment is also due to the fact that rents there are generally higher than in the City because of the existence of a pretty large European population.

Taking the cost of collection of Octroi at 13,000 the net revenue from Octroi in the City will be approximately Rs.64,000. To provide for this income the house tax will have to be raised by about 150 per cent. The present rate of house tax levied is 5 per cent, and the legal maximum is

A ten percent rate on holdings together with suitable enhancements in water & lighting rates should be sufficient —

is 6 per cent. This legal maximum will have to be enhanced to 12 or 13 per cent, if all the income from Octroi should be obtained from house tax alone. This is an extremely high rate and considering the very strong popular objections to any direct tax, and to house tax in particular, and that the highest rate in British Provinces is only 10 per cent, it seems impracticable to raise house tax to such a pitch. As already stated the present rate in the Civil and Military Station, where rents are generally much higher than in the City, is only 6 per cent, including the scavenging tax, which is merged in ~~with~~ the former, 8 per cent. Some desirable change in this connection seems however possible. According to the Chief Commissioner's Notification dated 27th September 1879 the maximum of 7½ per cent of annual rental value was ~~considered a fair rate~~ fixed and in many provinces in British India this is the prevailing rate. With some appreciable increase in the rental value of houses in recent years owners and occupiers of holding should not rightly object to this small enhancement, as the Municipality is otherwise unable to meet the several growing needs. Then again according to the old Municipal Regulation exemption was granted to ~~mud~~ mud houses and thatched huts whose annual value is less than

[illegible]

than Rs.14/- and it seems that this exemption is now continued. If this exemption is removed it is possible that there will be some increase to the revenue. But the tax which in many cases would be so little as 8 annas or 4 annas would, it is apprehended, fall very heavily on those who are extremely poor and who are perhaps a floating population, and it may consequently be very difficult to collect the same. As it is, the collection of house tax now is very unsatisfactory, owing to the large amount of arrears outstanding and no useful purpose is served by increasing the annual demand if it is not possible to collect a large portion of it.

It will be seen that when the Octroi was proposed to be abolished in 1886 in the Civil and Military Station a proposal was made to raise the house tax by 50 per cent but it fell through. Assuming of course that it can be conveniently raised in the City now, the possible increase of revenue may be only about 20,000. How it is possible to make up for the large deficiency of another 44,000 is not very clear. In discussing possible substitutes for Octroi, the Municipal Taxation Committee in United Provinces, came to the conclusion that for growing Municipalities house tax cannot be looked upon as a general substitute for Octroi but only as a second

[illegible] on a [illegible] [illegible]

Octroi on arrears of [illegible] cannot be on a floating population. M.

No system of taxation should be devised on the assumption of hopelessly incompetent collection. We should proceed on the supposition that collection will be made as in other places. M 8/8

[illegible]

The Committee had perhaps in view experience of provinces where [illegible] of municipalities large [illegible], are poor with [illegible] [illegible] as the [illegible] M

second string of the financial bow. They observed that, in regard to House Tax, assessment was a difficult matter in countries where it is the custom to own rather than to rent dwelling houses and that it cannot be looked upon as an index in India to the occupiers' ability to pay, because of the absence of custom of change of residence with variation in means - as in Western Coutries-. There is also a peculiar odium attached to any attempt to recover House Tax by means of distraint, on the fittings of the house etc., and consequently the tax is collected with considerable difficulty. For these and other reasons they said that house tax cannot be so productive as octroi. The possible substitutes they recommended are a moderate terminal tax on articles of consumption, tax on professions and trades, License fees on shops vending the articles upon which Octroi is levied, a general conservancy tax, exploitation and development of the conservancy receipts e.g., manure, &c, slaughter houses fees. These are some of the important ways in which the revenue abundantly the Octroi may, it was suggested, be made up.

It is collected fairly easily and with very great efficiency by a staff not at all well-paid and under honorary supervision so far as Bengal is concerned.

Whether it is practicable to introduce one or other of the above methods of collecting funds and thus to do away with Octroi is a matter

matter which cannot be discussed here for want of sufficient information. The question at issue is confined to the practicability of replacing octroi by a house tax. And it seems impossible to raise the present octroi revenue by suitably raising the House Tax in the City of Bangalore. It is even doubtful whether the present rate of 5 per cent on annual value is susceptible of enhancement to 7½ per cent without much opposition especially because owners of houses have also to pay 1 per cent lighting tax and 3 per cent water tax, or in all a total of 9 per cent on annual rental value.

On an analysis of the octroi revenue in the City it will be seen that about 50 per cent is contributed by the duty on cloth. Duty on articles of food and drink comes next, tobacco contributes about 15 per cent, and about 10 per cent is recovered on timber and other miscellaneous articles. The tax on cloth is generally paid by a class which is intelligent enough to demand refunds in cases of double taxation as it is possible to identify the articles easily and the difficulty of assessment at advalorem rates is not so great as in the other cases. It is a point for consideration whether the duty on cloth, tobacco, timber and such articles of luxury, octroi on which can be easily recovered without

easily by an enhanced house-tax. Of course the other heads of revenue, at any rate some of them e.g. market dues, ship-taxes &c will have to be raised also

Too low

Susceptible of enhancement

without much annoyance to the public, may be retained; whether articles of food and drink, such as ghee, sugar, cocoanuts, betel leaves &c., may be exempted from taxation with much economic advantage. In this event not much is known gained commensurate with the loss of revenue of over 20,000. The annoyance and worry may perhaps be confined to a smaller number of people but all the travellers will certainly be subjected to the inconvenient scrutiny of the octroi official, the cost of collection will be almost the same as at present, and the incidence of taxation will not be so general or widespread as it would otherwise be. This aspect of the question is however further considered in connection with the minor Municipalities. For the above reasons it would appear that any attempt to abolish octroi by enhancing house tax in Bangalore would in the present condition of things be fraught with grave consequences.

would do away with octroi altogether and raise municipal revenue on the cloth trade & other trades, if necessary by suitable shop or trade taxes JR

10. Mysore. A similar conclusion is reached on a study of the figures for Mysore. The octroi revenue is more productive, being about 54 per cent of the total of 1,44,000 as against 14 per cent from House Tax. In 1903-'04 the net ~~number~~ revenue from octroi was 65,000 which rose to 79,000 in 1908-09. The income ~~for~~ from house tax was Rs.20,000

If assessment & collection be not well at " " JR

in both the years being about 17 per cent and 14 per cent of the total taxation in the 2 years.

The falling off in the income from house tax is apparently due to some extent to the rapid demolition of houses owing to the scheme of City Improvement but it seems hopeless to expect to raise the octroi income from enhancing the House Tax.

do not see why it would be so. If the people the City are paying in one shape, they can shortly pay in another. The revenue raised from outsiders who use the City markets & shops can be realized as market cess or trade-taxes. M 8/8

11. In the Mofussil Municipalities the case may not, it seems, present so insuperable difficulties.

House Tax in these places is levied not on annual rental but at a percentage on the Valuation of houses. Hence one of the strong objections to considering the house tax as the chief source of revenue is removed. In the Chief Commissioner's Proceedings dated 27th September 1879, reviewing the system of Municipal Taxation in Mysore it was observed that the minor Municipalities cannot hope to secure an adequate income except by means of a house tax, and if a house tax was levied, it seems scarcely desirable that they should resort to other sources of taxation such as octroi <u>save to a limited extent.</u>

because assessment is made each M

There are now 85 minor Municipalities, excluding Sringeri, and octroi is levied in all except 4 viz., T.Narsipur, Talkad, and Melkote in the Mysore District and Kumsi in the Shimoga

Shimoga District. The revenue from octroi was for 1908-'09 about 124,000 out of a total of 336,000 of which 116000 was contributed by house tax. If octroi be totally abolished, the revenue from house tax will have to be practically doubled. The rates at present in force are as follows:-

Houses under Rs. 50	in value	0	8	0
,, from 50 to 150	...	1	0	0
,, 150 ,, 250	..	1	8	0
,, 250 ,, 400	..	2	0	0
,, 400 ,, 600	...	3	0	0
,, 600 ,, 800	. .	4	0	0
,, 800 ,,1000	. .	5	0	0

Above 1000, ½ per cent on valuation upto 2000 and thereafter at ¼ per cent on excess over 2000, fractions of a Re. being omitted.

According to the New Municipal Regulation the calculation is simple resulting of course in some loss of revenue, - 8 annas for every 100 rupees or portion thereof upto 2000, with 4 annas for every 100 or portion of 100 on the balance in excess of 2000

Thus an annual tax of Rs.5 is recovered on a house worth Rs.1,000 In Bangalore or Mysore a house whose market value is 1000 may, on the average, be considered to fetch an annual rental of Rs 100/- and with this assumption the amount of house tax recovered in the City agrees closely with that obtained in the minor Munici-

Considering that there is a number of other taxes paid in the City Municipality by the residents there (of course with the corresponding advantage of enjoying certain conveniences) and that besides octroi, house tax and Moha--turfa are the only taxes in the minor Municipalities, it is not unreasonable to expect that the owners and occupiers of holdings there should ~~constitute~~ contribute materially to the Municipal exchequer as it is they alone who enjoy most of the advantages of Municipal Administration. Whether it is practicable to enhance the maximum rate to 12 annas per Rs.100 i.e., by 50 per cent and to abolish the reduced rate for that portion of the market value which exceeds Rs.2000 are points that require careful consideration. Assuming that houses are not usually given out for rent there is no reason why an owner who owns 2 houses valued at say Rs.2000 each should be called upon to contribute more than one who owns only one of 4000 rupees value. In effecting improvements to dwelling houses in minor Municipalities the amount of assessment he will have to pay will not it seems, entertain the minds of an owner in the generality of cases, and no apprehension need therefore be entertained of the unproductivity of a uniform rate.

Why the richer people should pay less than the proportionate amount is not clear. The sliding scales e.g. in British India income-tax are generally top-heavy & not light at the top

M

Siddappa

k 49-50.

477

Even if any enhancement in the rate of house tax be considered undesirable there is reason to believe that Octroi may in all or most of the Minor Municipalities with advantage be limited to only one article viz. cloth, duty on which is most productive, if the revenue that is lost by the total abolition is considered very large and not possibly of recoupment otherwise.

As stated above, the chief sources of taxation in Minor Municipalities are:-

Octroi, House Tax, Mohatarfa i.e., tax on carts, shops and oil mills. The first contributes about 37p.c., the 2nd 34, and the last with other miscellaneous sources the remainder.

Of the 1¼ lakhs realised from Octroi it will be seen that about 68,000 is levied on cloth alone, about 32,000 is recovered on articles of food and drink, and the balance on tobacco, sheep etc.,-

Octroi on cloth is levied on all the 81 Municipalities where that system of taxation prevails, while in 24 of them Octroi is levied on that article alone and none else. These latter obtain a revenue of about 16,000 with no special establishment for the collection of the Octroi except in Tumkur and Kunigal The duty is collected, it seems, by the establishment charged with the duty of collecting House tax and Mohatarfa on payment of commission. The cost of

of collection on octroi in the mofussil Municipalities ranges from 10 P.C. and 11 p.c. in Hassan and Kadur to about 22 p.c. in Tumkur. Wherever special establishments are maintained, the cost of collection has been abnormally high generally.

Though the idea of abandoning a net revenue of over a lakh from Octroi with the doubtful idea of recovering a portion of it by means of raising the house tax seems therefore out of the question at present, ~~But~~ it is certainly worth while to take a cautious step in this direction by limiting octroi to the most productive article viz cloth. This is not a novel experiment for in 24 of the Minor Municipalities this is the only dutiable article. In such a large town as Tumkur no duty is levied on any other article. The cost of establishment - there is no doubt high being about -- 15 or 16 per cent but it is much less than the percentage for the whole - - district which is ~~20~~ 22 per cent. If as - above suggested the duty be confined - to cloth, with exemption of passengers' luggage ~~handling~~ travelling by railway much of the annoyance and trouble complained of by inspectors will be removed. - There is also reason to suppose that - the cost of establishment will not be - so high as it is at present and that it is - possible to effect a saving of at least a third of the cost. With this assumption the net revenue that will have t be abandoned will be somewhat less than

H. may quote note to
1. rice smuggling - M

Rs.50,000. Even if this revenue can - not be recovered in other ways, the saving of expense and worry to the - - public by the abolition of the duty - on such articles as sugar, ghee etc is so great that the loss to the Municipal revenues is more than compensated.

proper adjustment of these with other taxes together with increased house-rents may enable to do away with octroi altogether. M

as not for tolls M

The deficiency, can, it seems, be attempted to be made good 1st by - - imposing a license fee on the sale of such articles as tobacco, betel leaves, and animals for slaughter, and secondly by the imposition of tolls. No - - material objection can be raised to the former mode of collection except that it it may be unproductive, inplausible a special establishment will perhaps have to be maintained therefor. Tolls are levied in the - Cantonment and the two city Municipalities and in the following minor Municipalities as well, Viz. Tumkur, Shimoga, Shikarpur, Davangere, Harihar, Nanjangud and Seringapatam. Curiously enough - - 3 of these minor Municipalities, viz. Tumkur, Davangere, and Harihar are - - those in which Octroi is levied on - - cloth alone- a combination that is suggested for all of them in this note. There seems to be no doubt of the fact, that tolls have been found and will - form a productive source of revenue. - It is becoming more and more popular - as one of the easiest ways of raising - Municipal revenue. Tolls ~~however~~ in

cannot however be as productive as -- Octroi and the late Mr.Seshadri Iyer rejected the idea on this score, as tolls can on principle be levied only on the various roads leading to the - Municipal limits and not on vehicles coming by the Railway.

Besides, tolls lend to leakage to a great extent

Retaining as we do Octroi on cloth, which can be collected with the least inconvenience to the public and which contributes a material - portion of the total Octroi revenue - to the Municipal, Tolls on vehicles and animals, may be expected to make up for the deficiency in all the Municipalities where it has not already been levied

Please see para 34 of the Resp.

Toll is a form of taxation which in some respects is certainly - superior to ~~that of~~ Octroi. The inconvenience and worry to the public or trade is comparatively little. The tax is clearly defined being so much on a laden or empty cart or an animal, the passenger has not to wait for weighment at the barrier or to - go all the way to the Octroi Office The passenger is not subject to the - annoying examination of the Octroi - official The mode of collection is also simple. The system of farming - has been very successful here unlike the case of Octroi and opportunities for fraud and peculation on the part of Municipal Staff are to some- - extent

62

Pa. 31

extent obviated. The system of farming the collection of Octroi duties was condemned by the Govt. of India and ceased to be adopted in Mysore from 1877. But it is a matter of indifference to the public whether tolls are collected by Municipal agency or by contractors or other irresponsible agents.

In conclusion, Octroi though a very objectionable form of tax cannot in the present state of Municipal finances be abolished in the city Municipality of Bangalore and Mysore, without some suitable substitute being devised nor can the present rates of House tax be so enhanced as to recoup even one half of the Octroi revenue. In the minor Municipalities it can at a first step be limited to cloth, and the inconvenience and the annoyance to the public, be minimised, the revenue that will be abandoned being obtained if possible by slightly raising house tax, or by levying license fees on sale of such articles of luxury as tobacco, animals for slaughter etc. If the revenue lost cannot be raised in either of these two ways, recourse must be had to tolls which in most Municipalities may be expected to yield as much as the octroi if not more.

I do not see why it should so where there are entire towns with both of municipalities, as the largest to the smallest, and can do without anything of octroi

18/1/1910.

31 148

(G R.S 26)

File No. 10

Serial No. 2

2203 Confidential

Diary No of letter replied to

No. 9611-8 and 9611-10-2 of 20.5.11

General and Revenue Secretariat (Municipal), the 19

To

The Deputy Commissioner of Districts

Date of issue 20-5-11

Signed by M K M A

Sir,

I am directed to say that ~~the Govt have been~~ of Govt that it has been suggested for the ~~under~~ consideration, ~~the~~ it would be desirable to abolish ~~question of abolishing~~ Octroi in Municipalities in the State, ~~owing~~ having regard to the ~~the~~ inherent defects in the present system of taxation, the chief of which are the following —

(i) it allows leakage

over

SUBJECT

of revenue.

(ii) it allows facilities to ~~the~~ municipal employees for peculation and oppression,

(iii) it hampers the free course of trade; and

(iv) it causes inconvenience, loss, expense and delay to the trader wherever he comes in contact with the Octroi Department.

To ~~this~~ octroi is an important item of revenue in several municipalities, its entire abolition at once may ~~cause~~ create serious financial embarassment ~~so a hardship~~ to the municipalities concerned. The loss ~~caused~~ of revenue ~~by the abolition of octroi~~ will have to ~~may, to some extent, if not to the entire extent~~, be ~~to the same extent, if not~~ ~~increased taxation~~ an increase of the taxes recouped by ~~the increase of the octroi~~ on buildings and of the Mohatarfa taxes; but any sudden increase of

List of enclosures,

Copied by

Examined by

GPB—80,000—25-9-10

R S 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation Sheet draft form.)

of taxation might be unpopular and might also press hard on one section of the people

2 What is therefore ~~suggested can and should be done is that~~ while the entire abolition of octroi should be kept in view, as an object to be ~~and that~~ in the immediate future ~~octroi should be taken off~~ to abolish octroi in the smaller municipalities, where the octroi receipts are very low, and that in other places, the number of articles on which octroi is levied should be gradually reduced. A slight increase in the house and motor taxes in these places would probably make up for the loss and put these municipalities on a safe working basis. I am therefore to request you to be good

a guide to practical action is

attained gradually as the circumstances step, shd be taken

planning for the future

municipalities in which abolition can, thought, be effected without ~~[illegible]~~ ~~[illegible]~~ ~~[illegible]~~ ~~[illegible]~~ ~~[illegible]~~ information

good enough ~~to submit~~ to express your opinion on the ~~proposals on the following matters in consultation with the respective municipal Councils and Boards in your District~~ and also to state

I The places where octroi may be abolished wholly

II The places where the ~~mean~~ number of articles taxed may be reduced and the articles the octroi on which may be abolished

III In both the above cases, whether it is necessary to raise the other taxes, rates and rents and if so, to what extent ~~and~~ what other new tax, if any, should be imposed

3 I am to ~~add~~ request that your reply may be ~~submitted~~ furnished ~~together with~~

.IR S 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation Sheet draft form.)

~~with the resolutions of the Bombay Municipal Commissioner and Bombay~~ not later than two months from the date of this letter.

4. The question of abolishing or modifying action in the two city municipalities Commission is reserved for separate consideration.

I have etc

HRK 80
19 4 1911

Asst Secretary

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HRK
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15 May 11

SAG 19/5/11

GPB—10,000—22-8-11

Vanugopal

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190

From The Deputy Commissioner Chittagong Hill Tracts

To The Secretary to Govt. Revenue Dept. Bangalore

Dated

Despatched 24 June 1911

Received

General No. 522

No

Enclosure No. 1

Furnishing particulars in the matter of the abolition of Jhum

67

148-B

~~Confidential~~

No 522
Sl 1

Deputy Commissioner's Office
Chitaldrug District

5256 Dated, Chitaldrug. 24th June 1911

Letter No 522 of 24th June 1911

From ~~MC 148-10~~ S/3

Chandy Esquire, B.A.
Deputy Commissioner
Chitaldrug District.

To

C. S. Balasundaram Iyer Esquire, B.A.
Offg Secretary to the Government of His Highness
the Maharaja of Mysore
General & Revenue Depts
Bangalore

Sir,

Adverting to your letter 50961 1-8 MC 148-10-2 dated 20th May 1911 calling for an expression of opinion on the desirability or otherwise of the abolition of Octroi duty as a source of revenue and the practicability of its being replaced by an increase under the head of Mohatarfa taxes, I have the honor to state that the Octroi

duty

duty on cloth is levied in all the Municipalities and also on certain other sundry articles in the Municipalities of Chitaldrug, Challakere Hiriyur and Molakalmuru in this District. The income from cloth alone is about Rs 11,000 while on other articles, it is about Rs 3000/- thus making a total of Rs 14,000/- annually. It is true that there are undoubtedly many inherent defects in the collection of this tax as pointed out in the letter under reference; but its entire abolition, all at once, on this score, will bring in material financial loss to the several poor municipalities in this District and I estimate the loss of about 40% if its entire

entire revenue It would not be possible to make up this substantial loss by the proposed increase of revenue in the Mohatarfa taxes, because increase may be expected only from the House tax to a considerable extent, as the number of shops and other heads of Mohatarfa which are not many, in small Municipalities does not count in my opinion, for much towards the increase of revenue Moreover houses in minor Municipalities except in Chitalang, Davangere and Harihar towns are generally of very inferior quality and cannot therefore be classed higher merely for the purpose of enhancing the rate of taxation Even in

Rs

the towns of Chitalang, Davangere and Harihar, the revenue suspected from houses is not considerable or would not be as much as to make up the loss from the proposed abolition of Octroi

The only alternative is thus an income tax, which has disadvantages nearly as great as those of Octroi

If Government should decide on income tax, there can be no objection to abolishing Octroi otherwise, a via media will be to abolish Octroi on all articles except cloth and make up the difference by increase in Mohatarfa

I have the honor to be
Sir,
Your Most Obedt. Servant
R Chandy
Deputy Commissioner

Statement showing the octroi receipt of the several municipalities in the Cuttaldroog District for the past three years

Name of Municipality	Cloth			Other sundry articles		
	1909-10	1910-11	1911-12	1909-10	1910-11	1911-12
Cuttaldroog	3455	2100	2800	1895	1940	1680
Challakere	123	130	250	532	650	730
Hiriyur	370	250	280	466	485	490
Hosadroog	207	170	120	.		.
Holalkere	636	300	350	.		.
Davangere	5300	5800	6000	.		.
Jagalur	620	620	650	.		.
Molkalmuru	206	150	160	202	333	326
Harihar	760	675	700	.		.
Total	11667	10195	11290	3095	3408	3226

Alexander

190

From

The Deputy Commissioner

Tumkur District,

T U M K U R.

To

The Secretary to the Government of Mysore,

General and Revenue Departments.

Dated 26th June 1911

Despatched 30th --do--

Received

General No 521

No.

Enclosure No. 1

Furnishing opinion on the question of abolishing Octroi in Municipalities (of the Tumkur District.)

Office of the

Deputy Commissioner, Tumkur District.

No. 529 Dated Tumkur, 26th June 1911.

From,

M. Shama Rao Esqr., M.A.,

Offg: Deputy Commissioner,

Tumkur District.

To,

C. S. Balasundaram Iyer Esqr., B.A.,

Offg: Secretary to the Government of

His Highness the Maharaja of Mysore,

General and Revenue Departments,

BANGALORE.

Sir,

With reference to your letter No.9611-8/M1.148-10 dated 20th May 1911, regarding the gradual abolition of Octroi duties in the State, I have the honor to enclose a statement showing on what articles such duties are being levied in the Municipalities of this District. The dutiable articles comprise Cocoanuts, fresh and dry, betel-leaves, kerosine oil, tobacco, sheep and goat slaughtered, and cloths. The duty on cloths in the Pavaqada Municipality was only Rupees 44 in 1909-10 and is the smallest amount realized as compared with the amounts realized on the same article in the other Municipalities. In none of the other Municipalities is the income from this article less than a hundred rupees. It is only in two Municipalities, viz, Gubbi and Sira, that duty on Cocoanuts, fresh and dry, is levied and the amounts realized in the last Official Year amounted only to Rupees 22 and Rupees 24 respectively. I think that to begin with these duties in the three Municipalities named above may be ordered to be abolished. I quite agree that Octroi duties are an obstruction to trade and should be done away with as soon as we can find other unobjectionable substitutes. If the Government approve of

these

these suggestions, proposals will then be submitted to make up the loss from other sources. Similarly the dutiable articles in the other Municipalities will also be dealt with later on.

I have the honor to be,

Sir,

Your most obedient servant,

Offg. Deputy Commissioner.

TBM.
2

Statement showing the articles on which the octroi is levied in the Several municipalities of the Tumkur District and the amount realized therefrom during the year 1909–1910

No.	Name of Municipality	Articles on which the octroi is levied and the amount realized on each of them during the year 1909–1910						Remarks
		Cloths	Betel-leaves	Tobacco	Kerosene oil	Cocoanuts Fresh	Cocoanuts Dry	Sheep and Goats	
1	Tumkur	3506	No octroi is levied on these articles						
2	Maddagiri	295	No octroi is levied on these articles						
3	Koratagere	125	No octroi is levied on these articles						
4	Chickanakanahalli	468	69	23	35	No octroi is levied on these articles		29	
5	Sira	544	176	32	76	24	No octroi is levied		
6	Gubbi	855	51	20	41	21	1	No octroi is levied	
7	Tiptur	2816	311	142	311	No octroi is levied on these articles			
8	Turuvekere	65	247	39	26	No octroi is levied on these articles			
9	Pavagada	44	No octroi is levied on these articles						
10	Kunigal	791	No octroi is levied on these articles						

Tumkur
[illegible]-6-1911

ML 148-10
815

715
Oct.

~~Office of the Deputy Commissioner~~
~~Mysore District~~

No 715 Dated, Mysore, 30th. June 1911

Serial 5

M. Kantaraj Urs Esqr. B.A
Deputy Commissioner, Mysore District

S. Palasundaram Iyer Esqr. B.A
Offg. Secretary to Government
General and Revenue Departments.

Serial 5

With reference to your letter No. 9611-8 M.L. 148-10 dated May 1911 calling for my opinion regarding the abolition octroi in Municipalities, I have the honor to state as follows:-

The Assistant Commissioners of this District were consulted in the matter and copies of the marginally noted communications received from them are here submitted for consideration of Government.

Division	No.	Date
Nanjangud	A	17-6-1911
Mysore	272	23-6-1911
French Rocks	979	20-6-1911
Malavally	208	23-6-1911

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The Assistant Commissioner of the French Rocks Sub-Division is of opinion that octroi may be altogether abolished in the municipalities of Krishnarajapet and French Rocks, that it be abolished on all articles except on piece goods in all municipalities excepting Seringapatam and that the loss caused may be made up by raising the House tax and shop-tax 25 per cent and 50 per cent respectively. He recommends the abolition of octroi in the Seringapatam Municipality owing to its importance.

The Assistant Commissioner of the Nanjangud Division says for total abolition of octroi in all the Municipalities without exception, substituting therefor a "general taxation in towns and villages" alike. He also speaks of the

Confidential

W

3 Nov. 1911

Secy

From The Deputy Commissioner

Mysore District

To The Secretary to

Gl. & Rev. Dep.

Dated 30th. June 1911

Despatched 1st July

Received

General No. 715

No

Enclosure No.

Submitting a report regarding the abolition of the Octroi in the municipalities.

formation of market places and stalls and the levying of rent and taxes for occupying shops, in place of octroi.

5. The Assistant Commissioner in temporary charge of the Malavally Taluk is for the gradual abolition of octroi and to compensate the loss by a special sanitary cess under section 59(VI) and by a tax on profession under the same section of the Municipal Regulation.

6. The Assistant Commissioner of the Mysore Division has fully discussed the question from an economic point of view. He says that the abolition of octroi in the Municipalities and particularly in Heggadadevankote and Periapatam will hasten their deterioration, that an increase in the house tax will only "shift the burden of taxation" from one person to another and that an improvement in the collection of octroi can be effected by awarding ~~differen~~ deterrent punishments to smugglers etc. by employing adequate supervision for the purpose and by encouraging Informers by giving them rewards. On the whole he is for retaining the present system of octroi in all the Municipalities.

7. The arguments offered by Mr. Heblikar seem to be sound and stand to reason and I quite agree with him. The formation of Municipalities at Taluk Head Quarters and other important places is intended for the improvement of those places in respect of sanitation and public works such as roads, water works etc. The abolition of octroi without a less objectionable and more convenient substitute will greatly affect the carrying out of these works and it may not be possible to debit all these costs to Funds. The imposition of taxes and some expenditure being co-ordinate with their objects, the levy of octroi is very necessary. The present system of taxing the consumption articles is in accordance with the main principles of taxation enumerated by Economists. The octroi is [illegible] and not "arbitrary" tax. The [illegible] new [illegible] establishment [illegible] rate of [illegible] are fixed in quantity on articles brought into Municipalities and dealers

Venkatesh

in them know exactly how much they have to pay. The octroi would be objectionable if the rate is unknown and if it is imposed according to the quality of the article.

8. The Octroi is only indirect tax upon the consumer and it allows him to pay it at a most convenient hour i.e at the time of purchasing articles, and there is thus minimum hardship to the tax payer in its payment as he is "insensible" to its levy. The levy of octroi is no protective duty and as such does not seem to hamper free trade and as it is imposed merely for purposes of Revenue there is nothing objectionable in it.

9. This kind of indirect taxation has been generally approved by economists on the ground that it is levied on such articles of general consumption as are most easily reached inasmuch as the burden of taxation is distributed over the whole body of population. The following quotation may be interesting as how octroi is diffused:- "That a tax laid in any place is like a pebble falling in to and making a circle in a lake till one circle produces and gives motion to another and the whole circumference is agitated from the centre".

10. It has been sugested in your letter under reply that the loss caused by the abolition of octroi may be made good by a rise in house tax. The house tax is a direct taxation and may check the building of houses just as the importation of tea or other stirulant is diminished by imposing a tax on it, and this kind of tax is objected to on the ground that it will discourage a most beneficial form of expenditure viz. in building houses. The present rate of house tax prevailing in the several Municipalities is already sufficiently high and the owning of houses is not a paying concern to the owners as well pointed out by Mr. [illegible] It is also argued that it seems [illegible] the [illegible] of the poorer classes should [illegible] in order to secure better housing of the poor. The substitution of income tax or anything

like it will be really a much greater hardship to poor and middle classes of people than the "Octroi" can~~ever~~ be and the amount of trouble and expenditure required to find out the actual inxcome of peoples who have no fixed income have to be taken into consideration while thinking of replacing the "Octroi"by such a tax.

11. I therefore beg to conclude that (1) octroi need not be abolished either wholly or partially in any of the Municipalities of this District as they can ill-afford to lose it under the present circumstances (2) that the present ~~xx~~ number of articles which pay octroi may remain as it is, and it may even be desirable that some more articles should be added to the list to increase the revenue under this head and (3) that under the present condition it does not appear feasible to raise the other taxes such as house tax or shop tax which are already complaint~~ed~~ of as heavy. All the Taluk Head Quarters are at present Municipalities and that they should be deprived of lighting conservancy and useful public works by the abolition of octroi is really a matter for serious consideration.

12. The Octroi system is no doubt as pointed out by Government not working well, and owing to inefficient and in sufficient supervision there is considerable leakage of revenue, besides other defects mentioned in your letter under reply. I am of opinion that with a better checking of the ~~xxxxx~~ octroi collection by employing proper and responsible staff for the purpose, by rigidly enforcing the rules in the case of smugglers and infringers of octroi rules and by offering rewards to informers as in the Excise Department the octroi may be placed on a more satisfactory and substantial footing. The Municipal Council [illegible] will prove a useful agency in supervising the collection [illegible] of the [illegible] to feel their responsibility in the [illegible] of the evils that are associated with octroi can well be ~~xxxxxxxx~~ ~~xxxxxx~~ remedied by fiscal improvements and in many Continental Countries it is still

43

retained as an important part of the tax system. The octroi is an indirect tax while house or shop tax is a ~~direc~~ direct one, and both these are considered necessary, as the one remedies the defects of the other.

I have the honor to be

Sir

Your most obedient servant

Deputy Commissioner

Mysore District

76

Letter No 4 of the 17th June 1911 from the Subdivisional Officer of Nanjangud to the Deputy Commissioner, Mysore

With reference to your memo No 154 of the 30th May 1911 and reminder No 155 of the 6th instant about the abolition of octroi duty in municipalities in the State, I have the honour to submit as follows -

2 It is true that this taxation hampers the free course of trade and it causes frequent inconveniences to people trading in dutiable articles, over and above all it allows facilities for oppression and leakage of revenue. This matter was seriously considered in 1879 and Government restricted the

imposition of taxation on certain specific articles that circular is in force for the past 32 years and not much gain to profession appreciable rise in revenue has accrued. Considering the trade prosperities around our province we must consider that time has come for doing away with this obnoxious taxation and free the people from the oppression of petty officials in whose hands they are suffering.

3 The raising of taxes on buildings and mohatarfa taxes may not bring the desired effect the general taxation of houses in towns and villages without exemption should be organized and a schedule of rates framed the whole of the funds

shall

should be administered by a Commi-
-ttee and allotments made according
to exigencies as is done in the case
of Local funds If this method
is resorted to the aims of the Sanitary
Department will have been
accomplished and out of the
funds to be placed at their
disposal the Conservancy and
Sanitation of important Villages
inclusive of Taluk Head Quarters can
be undertaken and moffussil habi-
-tation improved upon Sanitary
principles Shop tax and pound rents
may be slightly increased, ie, to
one and half the rate at present
obtaining.

4 In the Government order under

1

refs Bannur is mentioned and I submit that octroi in that municipality may with advantage be abolished at once. While the income will compensate the welfare of people who bring suitable articles for sale, it will not cause serious loss of revenue as the income per month is not more than 4 or 5 Rs. at the most In all the Taluk and minor municipalities octroi maybe abolished at once and in District Head Quarter Towns and cities the abolition maybe brought into effect finally i.e after the introduction of the general house tax system in the municipal

5 The formation of market places

and

and stalls and keeping of premises and lines for occupancy of shops will greatly swell the income — this is perceptible in the case of Kolar Polefiles, Marathalli, Tera-Kanamba, Kolar, Chintamani etc

Copy

Deputy Commissioner and President of Municipalities

30.6.1911

compd

Partnership

Parathasaratti

Parthasarathi

Encl. to 845 47

Letter no 979 dt 20.6.1944

From N. Subba Rao Esq
~~The~~ Sub-Division Officer
French-Rocks

To
The Deputy Commissioner
Kerwa District

~~Dy. No. 11 no 979~~

~~Sd.~~

Reference —
Your circular memo no 154 dt 31.5.11
regarding the abolition of octroi in
municipalities and calling for opinion
on certain points. —

I have the honour to state that it
is most desirable to do away as
early as possible both the octroi duty
in municipalities since it has a
demoralising effect. The suggestion
to abolish it altogether in the
municipalities of Krishnagiri and
French-Rocks is acceptable as the
most income under this head
in these municipalities is inappreciably
small viz Rs 545/. and accordingly reflecting
Budget figures for the current year

The loss accruing from the abolition in these municipalities can be conveniently made good to a great extent by raising the House Tax by 25 p.c. and the Shop Tax by 50 p.c. under all classes. This enhancement is not likely to be felt as it will not increase the individual rates to any appreciable extent. Taking the figures of the current year's budget for these municipalities the result of the proposed increase of the House and Shop taxes will be as follows:-

Name of municipality	As per sanctioned budget for the current year			Increase proposed			General surplus i.e. Total Revenue of Octroi for the current year's budget	Differences	
	House Tax	Shop Tax	Total	House tax at 25 p.c.	Shop tax at 50 p.c.	Total		Increase	Decrease
Kumbakonam	600	300	900	150	150	300	545	-	245
French Rocks	600	600	1200	150	300	450	400	50	-

This division has at present the marginally noted municipalities. The abolition of octroi on all articles except piece-goods and the enhancement of the municipal taxes on the lines indicated above can conveniently be made applicable to all the

1 Kumbakonam
2. French Rocks
3. [illegible]
4 [illegible]
5 [illegible]
6 [illegible]
7 [illegible]

municipalities except that of Seringapatam.
The financial effect of the above proposal will be as detailed below

Name of municipality	Octroi sanctioned budget of the current year			Income proposed			Demand fixed in the budget for the year [illegible]	Difference	
	Income tax	Shop tax	Total	Household at 25%	Shop tax at 50%	Total		Increase	Decrease
Mysore	—	675	675		237½	237½	484		246½
Shimoga	600	400	1000	150	200	350	415		65

On the other hand in the case of Seringapatam which is a major municipality the octroi income on all the articles being large and the town being one of great importance the crippling of municipal income in any way will no doubt affect it seriously. Even the existing income is found quite inadequate to meet all its [illegible] I therefore consider it [illegible] either to reduce taxes [illegible] or to increase their number [illegible] without [illegible] there [illegible] taxes [illegible] the [illegible] above and to introduce

2 Scheme for the levy of income-tax on the lines in force in the French Colony of [illegible]

"City"

[illegible]

[illegible]

[illegible]

[illegible]

Cont'd

~~Office of the Local Commissioner~~
~~Colombo the 28th~~

~~No. 27~~ Letter No 27 Dated Colombo 28th June 1911

From

G B Hebbekar Esquire, BA LLB
~~Assistant Commissioner~~
Executive Officer

To

Mututhantri a Ras Esquire BA
Deputy Commissioner

Sir,

With reference to your circular memo No 154 without date regarding the abolition of Octroi duties in certain Municipalities, I have the honor to submit for your information the resolution of the Heggadadevanakote Municipality on the subject and the report of the Builder of Hanam. The Ameldar of Heggadadevankote convened a meeting of the Municipal Board to discuss the matter even though the communication to him was marked confidential. Now that the Municipal Board has expressed its opinion, it may as

a as well be taken into consideration
b in discussing the subject. The Board is
of opinion that the octroi duties
should not be abolished. The Amildar
of Hunsur thinks that the Periyapatna
municipality can afford to forego its
octroi revenue. From this view I
c strongly dissent. With its absence of
drains, bad roads and numerous vacant
house sites choked up with lantana
and teeming with pools of stagnant
water the town of Periyapatna cannot
afford to lose a fourth of its annual
revenue. An increase in the house tax
in both the towns will work heavily
on house owners. Both the towns are fast
decaying. Such an increase will
merely hasten them on their downward
career. The abolition of the octroi and
an increase in the house tax will merely
shift-

shift the burden of taxation from ~~the~~ consumers of commodities subject to other duties to house-owners, or from one class of persons to another this change would not matter if the house-owners are in a position to indemnify themselves at the expense of the consumers of the dutiable commodities. It is a well-known fact that houses in these towns fetch no rent. The majority of the population of Heggadadevankote consists of officials and their dependents who in most cases pay practically no rent. House owners who are away give out their houses on condition that they are kept in repair. Many owners of houses in Heggadadevankote and Periyapatna pay house-tax on them in view of the possibility of their finding tenants until the houses are

a are required by them. As these houses are mostly thatches possibly the owners would rather abandon them than pay an enhanced house-tax I shall discuss this question with reference to Budget Estimates of Heggadadevankote Municipality for the year 09-10. It will be seen that the receipts from octroi duties are estimated at Rs 271 and those from mohalaffa taxes at Rs 389/-. The other items of revenue are variable and cannot be depended upon except realizations from cattle pound which are estimated at Rs 150/- As the cattle pound fees are fixed for the whole state they cannot be enhanced in particular localities without giving rise to loud murmurs. To make good the loss consequent on the abolition of octroi duties the mohalaffa taxes will have to be

increased

increased by 70 p c Such an increase in house tax in the Mohalāfa will inevitably tend to disappearance of a large number of houses in a short time which may ultimately bring down the realizations from Mohalāfa taxes to their present level. The case of Periyapatna is in all forms with that of Heggadadevankote Taxes on consumable commodities have been resorted to mainly on the ground of their convenience, it having been found possible by means of such taxes to raise a considerable revenue, the payment of which by consumers are made in insensible portions where it would have been impossible to collect the same amount by direct taxation

at comparatively long intervals it has been urged in favour of this system of taxation that it may be assessed so as to leave no doubt concerning what ought to be paid and Montesquieu says in favour of taxes on commodities that they are felt the least by the people because no formal demand is made for them they can be so wisely contrived that the people shall scarcely know that they pay them. It is also asserted and asserted with truth that the system has the merit of avoiding the worst inequalities which taxation proportioned to income would cause since it enables those persons whose needs are greatest to diminish their share of taxation by abstinence from customary luxuries.

2 House-tax is a direct tax and is therefore demanded from and paid by the very persons who it is intended and desired should pay it. The abolition of the octroi and an increase in the house-tax would therefore be shifting the burden of taxation from one class of persons to another. This experiment has been tried in some municipalities in Europe. The economic results of this reform" says Palgrave "in the town which have carried it out are not easy to analyze, they are in all cases indecisive. The economy does not appear to have derived as great an advantage as might have been expected through the diminution of the price of the goods consumed. It is said that the middle men who have profited by the octroi, on the other hand the owners of

have greatly suffered"

3 The chief inherent defects of the present system of octroi taxation are said to be the following.

1 That it allows leakage of revenue

2. That it allows facilities to municipal employees for peculation and oppression

3 That it hampers the free course of trade and that

4 it causes inconveniences, loss, expense and delay to the trader whenever he comes in contact with the octroi department

In otherwords the main defects of the existing system lie in its tendency to hamper the free course of trade and in inefficient or insufficient supervision of the staff entrusted with the collection work. It cannot be urged with any show of reason that octroi hampers "free course of trade" in as much as at present it is levied on goods actually consumed

consumed within the municipal limits in which it is levied. Carts laden with dutiable goods pass through the municipal limits without paying any Octroi duties. They pay an uniform tax of one anna (Baramanga) which is primarily intended for the upkeep of the roads and is levied irrespective of the value, quality and quantity of the goods carried. In these circumstances it cannot be said that the levy of Octroi duties hampers the free course of trade. It is only when traders try to break bulk on the sly within the municipal limits that they get into trouble

4 It cannot be denied that there is much room for improvement in the existing Octroi staff. I am afraid improvement is not possible until a better paid staff is employed. Unfortunately the municipalities cannot provide more funds for the purpose. This inability of the municipalities

municipalities results in breakage of revenue. But it is certainly possible to remedy this evil by (1) enjoining stricter supervision (2) providing more deterrent punishments in cases of infringements of Octroi laws, and (3) giving pecuniary awards to informers in successful prosecutions.

5. Some of the objections to the principal of Octroi duties are irrefutably valid. But it would be a very arduous reform to carry out under the existing conditions. It seems well nigh impossible to discover an appropriate substitute. To use Prof. Wagner's dictum "its maintenance constitutes the financially least objectionable and relatively even the best system."

I have the honor to be, Sir,
Your most obedient servant,
Sd G B Heblikar
Assistant Commissioner
Inspection Division.

Copy
Comptr
Sd.

Approximately
D Lawrence
Person [illegible]

Letter No 208 of the 24th June, 1911 54 from the Assistant Commissioner, in charge of Malavalli Taluk, to the Deputy Commissioner Mysore District

With reference to your circular No 154 dated — regarding the abolition of Ochos &c

1. I have the honour to report — that the reasons noted by the Secretary fully justify the gradual abolition of Ochos in the State, and that as it has been abolished in the municipalities of the adjoining British Provinces, the way for abolition cannot be — difficult here

2 As for the Malavalli Municipality it is not possible to totally abolish ochos at once, as income from

55

from other sources amounted to Rs 1740/- as against Rs 2486/- from other sources 1909-1910

3 From the marginal list of dutiable articles it will be found that the poorer classes are not likely to feel the weight of the duties on any of them except those on jaggery, oil, kerosine oil, and betel (betel).

Coconut per maund —	0-8-0
Betelnuts per 100 ———	0-8-4
Betel leaves per 100 ———	0-0-2
Ghee per maund ———	0-8-0
Tobacco — do ——— ———	1-0-0
Jaggery — do ———	0-2-0
Oil — do ———	0-2-0
Vegetables per seer	0-0-2
Kerosine oil per tin	0-2-0
Betel (betel) per 100 betel nuts	1-9-0

4 Therefore I would suggest that one of these articles be freed from duty every

every year, so that the strain on the finances of the Municipality may not be very much all at once

5 I find from a reference to the accounts, so far as I can classify them, that the income from Octroi — almost equals the expenditure for the Collection, and the Conservancy Establishment charges and wages for watching the drinking water reservoirs

Collections Rs 1740/-
Manager 8-0-0
Peons at Rs 8/- each 84-0-0
Lamps at Rs 8/- each 12-0-0
Peons at Rs 7/- 7-0-0
Do at Rs 6/- 6-0-0
Total Rs 117-0-0
Rs 1623/-

6 Therefore the proper way to compensate the loss from Octroi will be to levy a special Sanitary Cess as contemplated in Section 59 (4) of the Municipal Regulation but that Cess will have to be a very large one if all Rs 1470/- has to be met from

from it alone and therefore a small sanitary cess may have to be taken out to balance supplementary taxation or professions as provided for in section 59 (x) of the Municipal Regulation and as in vogue in the British Municipalities

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"Copy"

Deputy Commissioner and
Pro Dist of Municipalities

30.6.190

58

1911

From

The Deputy Commissioner
Kadur District

To

The Secretary to Govt
of H H the Maharaja of
Mysore General & Rev Dept
Bangalore

Dated 17th
Despatched 20 } July 1911

Received

General No 24
No

Enclosure No one

Submitting a report on the question of abolishing octroi taxation in the municipalities —

Office of the Deputy Commissioner, Kadur District.

Dated Chikmagalur, the 17th July 1911

From

K.N Srinivasiengar Esquire, B A.,

Deputy Commissioner, Kadur District

To

C S Balasundaram Iyer Esquire, B A,

Offg Secretary to the Government of

His Highness the Maharaja of Mysore,

General and Revenue Departments, Bangalore.

With reference to your letter no 9611-8/M1 148-10 dated 20th May 1911 calling for my opinion regarding the abolition of octroi taxation in municipalities, I have the honor to report as follows.-

The Chief arguments for and against the abolition of octroi have been so briefly and tersely given in the opening para of your letter under advertence that there cannot be much to add to them. A reference to chief commissioner's order No 3362-73/M1 161 dated 27th September 1879 published on page 167 of the old Revenue Manual shews that the objections to the levy of octroi were then fully considered and that after mature consideration, it was decided to retain the levy of the duty on some of the articles as an unavoidable evil Para 31 of the Proceedings shows that the Government recognized that the levy of the octroi duties would open a wide door to smuggling and fraud, but it was nevertheless hoped that the Municipal Committees would "be able by their personal attention to ensure the necessary safeguards against smuggling and at the same time, consulty the convenience and comforts of the inhabitants" How far the hopes of the Government have

been

been realized is a matter worth considering No one will deny that there has been a certain amount of leakage of revenue as also of peculation and oppression on the part of the Municipal employees. But speaking from my experience, I think that neither the leakage of revenue nor the peculation and oppression by the subordinates nor the hinderance to trade and the inconvenience and loss to the trader has been such as to give rise to serious complaints from any quarter Nevertheless considering the objections raised to the levy of the duty, I should heartily welcome its abolition provided it can be replaced by any other fresh tax or source of revenue which, while being free from the evils attending the octroi, would not result in financial loss to the municipalities concerned

printed 2 A reference to the appended statement showing the receipts of each of the Municipalities in the District under the chief heads of revenue will show that the octroi receipts form one of the most important sources of income in every Municipality In the District Head quarter Municipality of Chikmagalur, the octroi revenue amounts to about Rs 13,000/- per year forming over 50% of the total income of the Municipality At Tarikere, octroi contributes Rs4,143/- or about 40% of the total income of the municipality The percentage of octroi to the total receipts in the other municipalities,- i.e., of Mudigere, Kadur, Koppa, Yedahalli and Birur [illegible] to 45, 41, 26, 20, and 24 respectively. In these circumstances, I think it will be no easy matter to [illegible] octroi in the above municipalities, im- [illegible] only by any other tax which will not be [illegible] [illegible] receive by [illegible] The octroi [illegible]

being an indirect form of taxation, has this advantage over other direct forms of taxation, -that it is almost invisible in its effects, tending only slightly, -I may say almost in-appreciably- to raise the value of the few commodities on which it is levied and that it is not therefore felt in the same way as any other direct tax which immediately touches the pockets of the tax-payers Moreover, the duty being levied -as it ought to be- only on articles of luxury, it does not press heavily on the poorer classes as any other system of uniform taxation might do If the octroi is to be abolished in the minor Municipalities which are not governed by the Municipal Regulation of 1906, the income now derived from this source will have to be obtained only by means of an increase of house-tax This has probably reached the maximum prescribed in the rules in most of the minor Municipalities and may not be capable of enhancement The shop-tax, cart-tax, oil-mill tax are all now recovered at definite rates prescribed by Government which are not capable of being increased at the discretion of these -- Municipalities, and there are, so far as I know, no rules prescribing fresh sources of taxation or revenue which may be resorted to in the smaller Municipalities Thus in the absence of special regulation authorizing the imposition and recovery of fresh taxes in the minor Municipalities, I think it is not possible to dispense with octroi and replace it with advantage by any other source of income With regard to the Regulation Municipalities, of which there are only two in this District, -Chikmagalur and Tarikere-, section [illegible] Municipal Regulation of 1906 gives a list of the taxes [illegible] may be imposed on them Toll forms a most im-portant [illegible] in the list the levy of which, if sanctioned by [illegible] would be [illegible] to yield a substantial [illegible] [illegible] levy of toll [illegible] Municipal Fund wide Government order [illegible] 9671 [illegible] dated 13th May 1918 declining to sanction

the recommendation of the Chikmagalur Municipality for the levy of toll] The other sources of taxation mentioned in section 59 are not of much importance and some of them, such as the income tax, are open to the same objections as the octroi owing to the harassment, annoyance, etc , to which they might subject respectable men For the above reasons, I am of opinion that for the present, it is not --- practicable, especially in the minor Municipalities, to abolish the octroi and replace it by any other source of revenue At the same time, I think it is possible to cut down the list of articles subjected to octroi in each Municipality by removing from the list such of them as do not yield an appreciable revenue

3 In para 2 of your letter, Yedahalli has been suggested as one of the places where octroi may be abolished In this Municipality, octroi constitutes, as I have stated above, 21% of the total Municipal receipts and I think that considering the needs of the place and the small annual income, it cannot afford to lose the above amount unless it can make it up by a revision of the house-tax It is impossible for me to say now how far a revision of the house-tax will result in an increase of revenue A regular house-valuation and revision of the house-tax will be made to find out how far this item of revenue can be enhanced Meanwhile, the octroi may be allowed to stand, but the list of dutiable articles in the Municipality may be -- curtailed by removing jaggery, oil and tobacco therefrom [illegible] one contribute only Rs 40/- per year This will [illegible] [illegible] and hotel leaves bringing in an [illegible] about Rs 10/-

[illegible] other Municipalities, [illegible] ----

following articles may be exempted from duty in each of them -

		Present annual income Rs
1	Chikmagalur	
	(i) Dry cocoanuts (ಹೂಡ)	85
	(ii) Butter	15
	(iii) Bullocks and cows	40
	Total	140
2	Tarikere	
	(i) Dry cocoanuts	95
	(ii) Ghee	64
	(iii) Butter	3
	Total	162
3	Birur	
	(i) Cocoanuts, fresh and dry	12
	(ii) Sugar	20
	(iii) Ghee	35
	(iv) Sheep and goats	40
	Total	107
4	Kadur	
	(i) Cocoanuts	18
	(ii) Ghee	30
	(iii) Sheep and goats	6
	Total	54

In the Mudigere and Koppa Municipalities, the list of dutiable articles does not admit of curtailment as piece-goods form the only article on which octroi is now being recovered in these Municipalities

I have the honor to be,

Sir,

Your most obedient servant,

Deputy Commissioner,

Kadur District.

Instantaneo

Statement showing the revenues of several m

Names of Municipalities	Items of octroi									Re
	Cocoanuts		Betel leaves	Sugar	Jaggery	Ghee	Butter	Sheep and goats	Bullocks and cows	o
	Fresh	Dry								
Chickmagalur	1015	85	1260	736	1379	693	15	739	60	13
Tarikere	563	95	199	83	508	64	3	181	.	4
Birur	10	2		20	153	35	.	40		9
Kadur	18		522		112	30	.	6	.	11
Yedahalli	.	.	106	.	8	.	.			1
Mudigere	.	.	.	.	.	.	.	.		
Koppa	.	.	.	.	.	.	.	.		

Statement showing the revenues of several mun

Names of Municipalities	Items of octroi Rev										
	Cocoanuts		Betel leaves	Sugar	Jaggery	Ghee	Butter	Sheep and goats	Bullocks and Cows	Oil	[illegible]
	Fresh	Dry									
Chickmagalur	1015	85	1260	736	1379	693	15	739	40	1347	
Tarikere	563	95	199	83	508	64	3	181	.	463	1134
Birur	10	2		20	153	35	.	40		92	
Kadur	18		522		112	30	.	6	.	112	
Yedahalli	.	.	106	.	8	.	.	.	.	14	.
Mudigere	.	.	.	.	.	.	.	.	.		
Koppa	.	.	.	.	.	.	.	.	.	.	.

[illegible] in the District for 1909-10

[illegible]				Mohatarfa including cart tax etc						Other income	Total income	Percentage of octroi to total receipts
[illegible]	Tobacco	Piece goods and cloth	Total octroi	House tax	Shop tax	Oil mill tax	Cart tax	Water tax	Total mohatarfa			
	641	5291	13261	4784	1115	87	115	196	6297	4380	23918	55%
36	161	1589	4163	3719	786	49	248	.	4802	2033	10978	40%
	26	571	949	3027	959	8	266	.	4260	692	5907	16%
	53	726	1579	1365	380		170	.	1915	307	3801	41%
	18	108	254	482	171		91	.	744	236	1234	21%
	.	877	877	411	271		25	.	707	341	1925	45%
	.	453	453	331	317		46	.	694	576	1723	26%

[illegible]
Deputy Commissioner
Kadam District

HP

[illegible] 10748 1910 [illegible] 8866
[illegible] to Letter No. [illegible]
[illegible]

B. 496

19

From

The Deputy Commissioner
Kolar District

To

The Secretary to the Government of
His Highness the Maharajah of Mysore
General & Revenue Department.

Dated 19
Despatched } July 1911
Received

General No. 45
No.

Enclosure No.

Reporting on the abolition of octroi tax and certain municipalities of the district

Proceedings

145

Inl 148-11

~~Office of the Deputy Commissioner~~

~~Kolar District.~~

Letter No 45 dated 19th July 1911

Sl 7

From,

Sri Kanteerava Iyer Esq BA BL

Deputy Commissioner

Kolar District

To,

C S Balasundaram Iyer Esq BA

Offg Secretary to the Government of
His Highness the Maharaja of Mysore,
General & Revenue Departments,
Bangalore.

Adverting to your letter No 611-8 Inl 148 (0-2 calling for my opinion on the abolition of ekar taxation in certain municipalities of the district, I have the honor to forward herewith two statements, one showing the average receipts from Ekar for the past three years (8) 151

years in the five municipalities referred to in the letter, and the the average income from the se dutiable articles in all the elev municipal Towns of the Destric

Except in the marginally n municipalities, the imposition duty is confined only to piece g and cloth

Kolar
Chikballapur
Cudappah
Chittaman
Porcbedner

2 Of the five municipalities named in the letter under rep where abolition of octroi tax may be effected, the Town o Mulbagal has been recently constituted* into a permane municipality under the new municipal Regulation VII of and the average income from levied only on piece goods, amo to Rs 404/- a year, wh

*: Govt PWD No 8750 ML 59-10-14 Dated 28 4 11

[illegible] revenue to the Municipality to meet a portion of the charges herein stated, the collection of octroi duty on the only dutiable articles in the town may be prejudiced to the finances of the Municipality. The financial condition of this Municipal Board is already at a low ebb, requiring serious attention for improving the same, as observed by Government in their order No 2633-9-Mc 75-10-4 dated the 15th September 1910 [illegible] is therefore under contemplation to revise the house and mohatarfa taxes, wherein however much cannot be expected, and to find other sources of revenue to place the Councils on some

X Vide [illegible] in the [illegible] 1910

on a firm bases, so as
able to meet the numerous
pressing sanitary
other improvements in the
and to alleviate its longfe
need for water-supply to
extent feasible. It is the
not quite practicable to
away with the odious ca
foods in the municipalities

3 As regards the pressing
-ing four Towns, Vizs Sa
Baghalle, Gudibanda a
Malur, the average a che
realizations are, as deta
in Statement I enclosed, I
they are comparatively sm
for consideration as a large
income, they are yet not vell
so insignificant for sanit

78

Ml 148 10

~~Office of the Deputy Commissioner~~
~~Kolar District~~

Letter No 45 dated 19th July 1911

Sl 7

From,

C Sri Kantesvarayya Esq BA BL
Deputy Commissioner
Kolar District

To,

CS Balasundaram Iyer Esq BA
Offg Secretary to the Government of
His Highness the Maharaja of Mysore,
General & Revenue Departments,
Bangalore.

Adverting to your letter No 611-8 Ml 148 (0-2 calling for my opinion on the abolition of abkari taxation in certain municipalities of the District, I have the honor to forward herewith the (illegible) statements, one showing the average ~~each to the~~ abkari for the past three

years in the five municipalities referred to in the letter, and the other, the average income from the several dutiable articles in all the eleven municipal Towns of the District

Except in the marginally noted municipalities, the imposition of duty is confined only to piece goods and cloth

as allowed ~~[illegible]~~ January bedner

2 Of the five municipalities named in the letter under reply, where abolition of octroi taxation may be effected, the Town of Multai has been recently constituted into a permanent municipality under the new municipal Regulation VII of 1906 and the average income from octroi levied only on piece goods, amount-

cf PRO: No mu 5-9-10 - 14 228 & 11

a decent revenue to the
municipality to meet a portion
of the charges therein. As such,
e abolition of octroi duty on
e only dutiable article in the
town may be prejudicial to the
nances of the municipality.
he financial condition of
his Municipal Board is al-
ready at a low ebb requiring
early attention for improving the
same, as observed by Government
in their order No 2633-9-Mu
5-10-4 dated the 13th September 1910
ed it is therefore in contemplation
revise the house and motor tax
ances, wherein however much
cannot be expected, and to find
ther sources of revenue to
lace the Councils income

+ Vide footnote
in the Hon'ble
Fin. Com-
ment
No 1

on a firm basis so as to be able to meet the numerous pressing sanitary and other improvements in the Town and to alleviate its long felt need for water-supply to the extent feasible. It is therefore not quite practicable to do away with the octroi on food in the municipality.

3 As regards the remaining four Towns, viz. Srivaikuntam, Nagapattinam, Cuddalore and Malur, the average octroi realizations are, as detailed in Statement I enclosed, though they are comparatively small for consideration as a source of income, they are yet not altogether so insignificant for such small

municipalities as can be done
way with without inconvenience
or appreciable drop in their own
already slender resources, and
should therefore have to be kept-
up, for the same reasons as for
mullbagal, till the revision of
house and mohalarba Taxes
in due course, can warrant the
abolition of this source of income

4 Cuddapah is also a
small Town without any encouraging
Revenue excepting from
these foods and betel leaves, the
average income from the other dutiable
articles specified in the margin being
so poor and insignificant that they
do not deserve to be subjected to
duty, which may therefore
be abolished without inconvenience
or appreciable loss to the municipality

	Average Income
× Fresh Cocoanuts	[illegible]
Dry "	[illegible]
Sugar	[illegible]
Jaggery	[illegible]
Ghee	[illegible]
Sandal wood	[illegible]
Oil	[illegible]
Tobacco	[illegible]
	1 1/2
	110

5 Octroi in the remaining Municipal Towns (Kolar Chickballapur, Sidlaghatta, Chintamani and Bowringpet), has been one of the chief sources of revenue and has to continue as heretofore. All other sources of revenue are secured to compensate the loss that may accrue by the abolition of octroi

I have the honour to be.
Sir,
Your most obedient Servant

M Kesavayya
Deputy Commissioner
Kolar District

67

I

Statement showing the actual realization from octroi revenue, for the past 3 years, average and the rate at which duty is levied in the municipalities referred to in Secretary's Letter No 9611-8 and 148-10 dated 20 [illegible]

Name of municipality	1906-07	1907-08	1909-10	Total	Average	Rate	Remarks
							actually levied on

[illegible] 1908 to 1909-10

Statement showing the average realizations fr[illegible]
Kolar Market, and the Rate at which duty is [illegible]

No.	Commodities	Cocoanuts fresh		Cocoanut dry		Betel leaves		Sugar		Jaggery		Other		Rate
		Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	
1	Kolar	1 for each	213	-8-	55	2 for 100	280	-6-	110	-2-	143	-6-	80	[illegible]
2	Bangarpet	∞	564	∞	121	1 for 100	470	∞	82	"	57	"	61	
3	Sidlaghatta	∞	288	∞	37	2 for 100	591		6	"	2		7	[illegible]
4	Chintamani	∞	436	∞	49	∞	1038							[illegible]
5	Gudibanda	∞	21	∞	4	∞	149	∞	9	∞	5		9	[illegible]
6	Bowringpet		.				.		.	.		.		.
7	Srinivaspur	.	.	.	.		.	.	.	.	.	.	.	.
8	Kaivatagal						.	.	–	.	.	.		.
9	Bagepalli	.						.	.				.	.
10	Gundlapalli	.				.			.	.	.		.	.
11	Kurubur	.						.	.		.			

[illegible]

	(c1-ii)	The income in 1903 rabi crops on account the adverse seasonal condition of the year						

M Resident for
for Deputy Commissioner
Kalar District

19 4 11

Ely

Encl 7 Hs-to-Sl
Encl to letter notes
19-7-1911 from
Kalar

I

Statement showing the actual realisation from octroi revenue, for the last 3 years, average and the rate at which duty is levied in the municipalities referred to in Secretary's letter No. 9611 & 148-10 dated 20 [illegible]

Name of municipality	1906-07	1907-08	1909-10	Total	Average	Rate	Remarks
~~Srinivaspur~~	197	299	165	661	220-5-4	2 ~~[illegible]~~	octroi not levied
Mulbagal	505	356	353	1214	404-10-8	do	on cloth
Bagepally	32	27	22	81	27-0-0	do	do
Gurubandla	109	173	88	370	123-5-4	do	do
Malur	155	94	114	363	121-0-0	do	do

Revenue in the several municipalities of the
re each of them

Oil & oilseed		Tobacco		Cocoa goods		Total from all sources		Remarks
Rate	Amount	Rate	Amount	Rate	Amount	Rate.	Amount	
2	538	1	20	24	1695	-	3131	
12	926	12	148	do	3439		5868	
do	235	1	71	do	785		2081	
do	700	do	152	do	974		3457	
do	39	do	12	do	318		577	
				do	1096		1096	
				do	220		220	
				do	404		404	
				do	27		27	
..	.	.	.	do	123		123	
				do	121		121	

Presented

for Deputy Commissioner
Ely Kalar District

/11

C O N F I D E N T I A L

1911-12.

-100-

From F.R.W. Wasserally Esquire,

Deputy Commissioner,

Hassan District.

To

C.S. Balasundaram Iyer Esquire, B.A.,
Offg. Secretary to the Government of
His Highness The Maharaja of Mysore
General and Revenue Departments,
B A N G A L O R E.

Dated 24th. July 1911.

Despatched 26

Received

General No. 29
No 5

Enclosure No. One.

S U B J E C T .

Furnishing opinion on the question of abolishing Octroi in Municipalities.

Deputy Commissioner's Office,

Hassan District.

Letter No. 571 Dated 24th. July 1911.

From,

P.R.W.Wetherall Esquire,

Deputy Commissioner,

Hassan District.

Inl 148-10

Serial 8

C.S.Balasundaram Iyer Esquire, B.A.,

Offg. Secretary to the Government of

His Highness the Maharaja of Mysore,

General and Revenue Departments,

B A N G A L O R E .

With reference to your letter No. 9011-6/M1.8-10 dated the 20th. May 1911 calling for an expression of my opinion as to (i) the places where Octroi may be abolished wholly (ii) the places where the number of articles taxed may be reduced and the articles the octroi on which may be abolished and (iii) whether it is necessary to raise the other taxes, rates and rents and if so to what extent &c, I have the honour to state as follows:-

On a close inspection of the sources of income of the Municipalities of this District, under the headings viz (1) Octroi, (2) House and Mohatherfa taxes and (3) Miscellaneous it is apparent that the income from Octroi forms the largest item. Consequently it is undesirable at present to do away with octroi as a whole, in any of the Municipalities.

3. But considering the fact that of all the articles on which octroi is levied, piece goods and other textile fabrics, Betel-leaves and tobacco are generally the important articles at present yielding an appreciably large revenue viz. about 70 to 80 %, or an average of 75 % of the total revenue derivable from octroi, while the duty levied on the other minor items go to make up the remaining 25 %.

Hence

Hence the question of abolishing altogether or reducing the present rate of duty on these minor articles of con--sumption in each of the Municipalities deserves considera--tion.

4 The enclosed statement shows the actual realizations under octroi and other taxes during the past three years ending with 1909-10 and their averages in the eight Municipalities of this District. This statement indi--cates that the income derived from the levy of octroi on fresh and dry cocoanuts in all the Municipalities except Arsikere (where no duty is levied on these articles) is small viz. about 12 % of the total income from octroi. Hence the abolition of duty on these articles will not ~~therefore~~ appreciably interfere with the resources of any of the Minicipalities in the District. Moreover the incon--veniences which usually attend the recovery of octroi, giving room as it does ~~which gives room~~ for peculation and oppression by low-paid Municipal employés, can to some extent be reduced by the abolition of octroi on these two articles viz. fresh and dry cocoanuts. Further it may be here mentioned that the market value of these every day necessary articles of domestic consumption has almost doubled itself during the past few years so that the mass of the people feel the pinch by the rise in price of these articles. Hence the abolition of Octroi duty (however small it may be) on these two articles will be much appreciated by all classes of consumers every-where.

5. Similarly the duty on sugar, jaggery, ghee and butter in the municipality of Hassan may be done away with, since the income from octroi on these articles is not so large as to effect the municipal revenue to an appreciable extent.

Having thus far discussed the question of abolition of octroi now being levied on some articles of domestic consumption in municipal towns with a view to afford better scope for free trade, as also to minimize annoyance and

and trouble to the people &c, the ways and means of recouping the loss resulting from the abolition of octroi on the above mentioned articles may be now considered.

7. Mysore is an agricultural country, and it is admitted everywhere that cattle are the backbone of agriculture. It is also well known that cattle lifting has become so frequent, and now on the increase, that the necessity for devising suitable penal laws for putting down the evil deserves serious consideration. The municipalities may in their sphere of action co-operate with the Government in this important matter by framing suitable rules for checking the indiscriminate killing of cattle, whether fit for the purpose or not; and by levy of a suitable slaughtering fee, their income may be increased. The question of fixing a small rate of fee on the trade in hides is also suggested with a view to effecting the double object just mentioned. If the income from these sources be found insufficient, the question of introducing a small rate of toll (say one anna) on carts &c will go a great way to improve the financial condition of the municipalities without at the same time giving room for oppression by low-paid municipal officials inasmuch as the levy of toll may be farmed out year by year. If after sufficient experience this method of farming out the levy of toll gains ground and shows fairly good financial results, the question of abolition of octroi on the remaining articles and the increase of house and mohatherfa taxes may then be considered and decided upon.

8. In conclusion it may be stated that the duties levied on some of the articles mentioned above, such as tiger and dry cocoanuts, may be done away with in all the municipalities of this District, and octroi on jaggary, sugar, ghee and tattoos in the Hassan municipality may also be abolished. The question of introducing slaughtering fees in such of the municipalities where it is not now levied may be considered along with the fixing of a small rate of fee on trade in cattle

cattle and hides. Similarly the matter of levy of a small rate of toll on all incoming cart traffic &c may be considered for being worked on the contract system, which would also afford a means of gauging the condition of local trade from year to year.

I have the honour to be,

Sir,

Your most obedient servant,

Deputy Commissioner,

M.P.C. Hassan District.

102

Statement showing the details of rev
in the Hassan District

Items	Hassan 1907-08	Hassan 1908-09	Hassan 1909-10	Hassan Total	Hassan Average for 3 years	Alur 1907-08	Alur 1908-09	Alur 1909-10	Alur Total	Alur Average for 3 years	Sakleshpur 1907-08	Sakleshpur 1908-09	Sakleshpur 1909-10	Sakleshpur Total	Sakleshpur Average for 3 years	1907-08
Petroe																
...ut fresh	112	251	187	550	183	114	170	146	430	143	176	205	197	578	192	81
...ut dry	3	25	10	38	13	14	19	22	55	18	8	15	22	45	15	60
...tel-leaves	338	450	280	1068	356	822	800	799	2421	807	231	347	397	975	325	147
...gar	100	201	178	479	159	-	-	-	-	-	-	-	-	-	-	-
...ggary	25	53	52	130	43	-	-	-	-	-	-	-	-	-	-	-
...ber	104	184	119	407	136	-	-	-	-	-	-	-	-	-	-	-
...utter	68	82	39	189	63	-	-	-	-	-	-	-	-	-	-	-
...to for chewing	701	751	756	2208	736	-	-	-	-	-	157	135	169	464	154	-
...ine oil	158	135	133	426	142	-	-	-	-	-	-	-	-	-	-	-
...bacco	534	740	235	1509	503	302	351	411	1064	388	189	213	209	611	203	39
...goods & cloth	3,232	2814	3439	9485	3162	952	1024	845	2821	940	1073	1202	1264	3539	1179	1122
...tal octroi	5,375	5686	5428	16489	5496	2204	2364	2223	6791	2264	1534	2120	2265	6212	2070	1449
...l Inchatty	5081	5023	4533	15387	5129	1131	950	864	2945	982	1742	1205	1363	4712	1571	1799
...l Cattle - Pounds	466	442	597	1505	502	116	107	91	314	104	316	507	334	1157	385	157
...ellaneous taxes	1204	1184	1094	3482	1161	56	17	129	202	67	168	2220	120	2508	836	28
...tal receipts	12,976	12335	11152	36463	12,287	3507	3438	3307	10252	3417	4060	6455	4076	14590	4863	3424

Date Hassan
24th July 1911

Statement showing the details of
in the Hassan Dis tric

Items	Hassan					Alur					Sakleshpur			
	1907-08	1908-09	1909-10	Total	Average for 3 years	1907-08	1908-09	1909-10	Total	Average for 3 years	1907-08	1908-09	[illegible]	[illegible]
I Octroi														
Cocoanut fresh	112	251	187	550	183	114	170	146	430	143	176	205	197	578
Cocoanut dry	3	25	10	38	13	14	19	22	55	18	8	15	[illegible]	45
Betel-leaves	338	450	280	1068	356	822	800	799	2421	807	231	347	[illegible]	978
Sugar	100	201	178	479	159	-	-	-	-	-	-	-		-
Jaggery	25	53	52	130	43	-	-	-	-	-	-	-		-
Ghee	104	184	119	407	136	-	-	-	-	-	-	-		-
Butter	68	82	39	189	63	-	-	-	-	-	-	-		-
Animals for slaughter	701	751	756	2208	736	-	-	-	-	-	157	138	169	464
Kerosine oil	158	135	133	426	142	-	-	-	-	-	-	-	-	-
Tobacco	534	740	235	1509	503	302	351	411	1064	388	189	213	209	61
Piece goods & cloth	3,232	2814	3439	9485	3162	952	1024	845	2821	940	1073	1302	[illegible]	[illegible]
Total octroi	5,375	5686	5428	16489	5496	2204	2364	2223	6791	2264	1834	2120	[illegible]	[illegible]
II Total Mohatarfa	5,981	5023	4533	15387	5129	1131	950	864	2945	982	1742	1668	[illegible]	[illegible]
III Total Cattle-pound	466	442	597	1505	502	116	107	91	314	104	316	587	[illegible]	[illegible]
IV Miscellaneous taxes	1204	1184	1094	3482	1161	56	17	129	202	67	168	[illegible]	[illegible]	[illegible]
Total receipts	12,976	12335	11652	36863	12,287	3507	3438	3307	10252	3417	[illegible]	[illegible]	[illegible]	[illegible]

Date. Hassan
24th July 1911

venue from each article subjected to Octro
T during the years 1907-08, 1908-09 and

	Belur					Arsikere					Channarayapatna					Holi-Kan		
for 3 years	1907-08	1908-09	1909-10	Total	Average for 3 years	1907-08	1908-09	1909-10	Total	Average for 3 years	1907-08	1908-09	1909-10	Total	Average for 3 years	1907-08	1908-09	1909-10
92	81	103	92	276	92	-	-	-	-	-	3	34	16	53	18	65	101	96
8	60	71	66	197	66	-	-	-	-	-	-	2	5	7	2	13	47	43
5	147	124	107	378	126	464	492	388	1344	448	65	73	72	208	69	173	211	226
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	-	-	-	-	-	180	175	175	530	176	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	39	36	22	97	32	109	132	104	345	115	50	57	53	160	53	129	140	15
9	1122	937	1046	3105	1031	650	740	672	2062	687	635	587	689	1911	637	62	72	4
0	1449	1271	1333	4053	1351	1403	1539	1339	4281	1427	753	753	833	2339	779	1349	1627	17
1	1799	1714	1688	5201	1734	3248	1150	1258	5656	1885	1389	1288	1372	4049	1349	1791	2201	22
	157	125	173	455	152	70	246	137	452	151	63	140	139	342	114	2135	2178	14
	28	55	68	146	49	271	2819	1214	4304	1434	45	192	369	576	192	73	66	5
																67	106	1
	3428	3168	3242	9838	3279	4992	5753	3948	14693	4897	2220	2373	2713	7306	2435	4066	4551	3

e from each article subjected to Octroi and other
ering the years 1907-08, 1908-09 and 1909-10.

Belur				Arsikere					Channarayapatna					Holi-Narsipur					Arka	
1908-09	1909-10	Total	Average for 3 years	1907-08	1908-09	1909-10	Total	Average for 3 years	1907-08	1908-09	1909-10	Total	Average for 3 years	1907-08	1908-09	1909-10	Total	Average for 3 years	1907-08	1908-09
3	92	276	92	—	—	—	—	—	3	34	16	53	18	65	101	96	262	87	43	81
1	66	197	66	—	—	—	—	—	—	2	5	7	2	13	47	43	103	34	28	38
4	107	378	126	464	492	388	1344	448	65	73	70	208	69	173	211	226	610	203	118	135
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	180	175	175	530	176	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	129	142	151	423	141	53	102
6	22	97	32	109	132	104	345	115	50	57	53	160	53	62	72	49	183	61	53	92
37	1046	3105	1031	650	740	672	2062	687	635	587	689	1911	637	1349	1627	1706	4682	1560	839	920
71	1323	4053	1351	1403	1539	1339	4281	1427	753	753	833	2339	779	1791	2201	2271	6263	2088	634	1368
4	1688	5201	1734	3248	1150	1258	5656	1885	1389	1288	1372	4049	1349	2135	2178	1487	5800	1933	1539	1651
5	173	455	153	70	245	137	452	151	63	140	139	342	114	73	66	56	195	65	167	53
	68	146	49	271	2819	1214	4304	1434	45	192	369	576	192	67	106	171	344	115	178	82
8	3262	9838	3289	4992	5753	3948	14693	4897	2220	2373	2713	7306	2435	4466	4551	3485	12502	4200	2818	3154

10

taxes in the several municipalities

Code		Grand Total for the District					To	Remarks.
Total	Average for 3 years	1907-08	1908-09	1909-10	Total	Average for 3 years		
195	65	594	945	805	2344	78		
111	37	126	217	213	556	185		
425	142	2358	2632	2439	7429	2476		
–	–	100	201	178	479	159		
–	–	25	53	52	130	43		
–	–	104	184	119	407	136		
–	–	68	82	39	189	63		
–	–	1038	1064	1100	3202	1067		
294	98	340	380	423	1143	381		
202	67	1338	1693	1140	4171	1390		
1966	655	9352	9851	10367	29,570	9856		
3192	1064	16,443	17,302	16875	49,620	16,540		
5008	1669	19,114	15,562	9988	44,664	14,888		
384	128	1428	1688	1691	4,807	1,602		
327	109	1782	6675	3232	11,889	3,963		
8911	2970	37,967	41,227	31,786	1,10,980	36,993		

Pth W Wallerall

Deputy Commissioner

[illegible] farm
[illegible]

Belur

1908-09	1909-10	Total	Average for 3 years
3	92	276	92
1	66	197	66
4	107	378	126
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	22	97	32
	144	310	103
	122	405	135
	160	521	174
	173	485	162
	65	146	49
	-	-	-
		-	-
	2262	4898	816

From

The Deputy Commissioner,

Shimoga District.

To

The Secretary to the Government

of Mysore,

Gen & Rev. Departments

Dated

Despatched

27th July 1911.

Received

General No. 15

No

Enclosure No. —

Furnishing opinion re-

the abolition of octroi in certai

Municipalities in the District.

GTD—70,000—27-10-11

No. 15 ~~Office of the Deputy Commissioner,~~

~~Shimoga District.~~

Letter No 15 Dated Shimoga 27th July 1911.

DIARY No. 650

1910 1911

SECT. Municipal

FILE No. 148-10

SERIAL No. 9

869

From

K. Srinivasa Rao Esquire,

Deputy Commissioner,

Shimoga District.

To

C.S. Balasundaram Iyer Esquire, B.A.

Offg. Secretary to the Government of

Mysore,

General & Revenue Departments.

Bangalore.

~~Sir,~~

With reference to your letter No. 9611-8 W.L.148-10 dated 20th May 1911, calling ~~for my~~ opinion on the proposed abolition of octroi duty in the marginally noted Municipalities, I have the honor to state that for the reasons given below, I do not consider that octroi duty can be abolished in any of the said Municipalities without totally crippling their financial condition.

1 Chikmagalur
2 Hosanagar
3 Nyamthy
4 Sorab
5 Halukatte

2 Taking the opening balance of each Municipality as the accumulated savings of several years, it will be seen that even with the Octroi collection, not one is in a position to show a decided surplus over its

annual

annual expenditure. In every Municipality, the income derived from octroi is considerably more than the average savings, which are almost egligible in amount; and the necessary result is that without octroi, the Municipality will cease to exist as a self supporting institution.

3 How far it will be possible to find additional funds from a revision of house tax can only be determinied by a thorough revaluation of the buildings, or determination of the rental, which is a matter requiring time and labour. It is however in contemplation to revise the assessment of house-tax; and if it should be found to result in an increase countervailing the probable loss from abolition of octroi, pro posals will be submitted on that behalf to Government.

4 I regret the delay in submitting this report which has been due to non-receipt of the resolutions of the various Municipalities Even as it is, my opinion has had to be based on the figures available in this Office.

I have the honor to be,
Sir,
Your most obedient servant,

Deputy Commissioner,
Shimoga District.

IV/ 4 8 11 JVK C 5 8 11 M 7 8 11 72

190

From The Deputy Commissioner Bangalore District

To The Secretary to Govt. Genl: & Rev Depts.

Dated 23 } August 1911.
Despatched 31 }

Received

General No.

~~Dep~~ No. 23

Enclosure No. —

Submitting his opinion on the question of abolition of Octroi taxation in Municipalities.

145-10

CONFIDENTIAL.

Deputy Commissioner's Office,

Bangalore District.

Dated Bangalore, 2nd August 1911.

D.F.No. 23.

From

B.J.Kumaraswami Naik, Esq., B.A.,

Deputy Commissioner, Bangalore District.

To

C.S.Balasundaram Iyer, Esq., B.A.,

Offg. Secretary to Government of H.H.the

Maharaja of Mysore Genl and Rev.Deptts.

Sir,

Adverting to your letter No.9611-8/Ml.148-10 dated 20th May 1911, calling for my opinion on the question of abolition of Octroi taxation, in Municipalities, I have the honor to state as follows -

2 The objections to the system of Octori taxation that are recapitulated in your letter under reference are no doubt real and weighty, but if the Octroi which accounts for merely half the revenue in the several Municipalities is done away with in its entirety, it is sure to tell upon the finance of the Municipalities and is likely to interfere with their satisfactory working. Its entire abolition at this stage of our experience of Municipal Administration is neither possible nor expedient, but it should be the object to be aimed at in the distant furture.

3. The taxation may, however, be abolished wholly in the minor Municipalities of Tyamagondlu, Sarjapur and Vodiganahalli which are not the Head Quarters of the Taluk, as it is not possible for the higher officers to supervise and regulate the work of the Municipal employees entrusted with the octroi collection in these towns. But in my opinion it is desirable to convert the said places into Unions instead of keeping them on as non-regulation Municipalities, as on the abolition of Octori, the Municipal Revenue will fall off which it may not be possible to make up by other means as the house and mohatarfa taxes in these small towns are not capable of any appreciable enhancement, if revised and the imposition

imposition of any new tax is not feasible.

4. To minimise the inconvenience of the trading class, the taxation on the following articles which (excepting tobacco) are more or less of the nature of necessaries, may be abolished throughout in all the Municipalities of this District without much loss to the finance-

10 -10
SECTION
FILE No.
SERIAL No.

1. Dry cocoanuts
2. Oil.
3. Ghee.
4. Jaggery.
5. Tobacco.

In consideration of the poor income realized from the duty on the above articles and the amount of inconvenience involved in the collection of duty thereon, the taxation on them may be safely done away with.

5. The abolition of the taxation wholly in the Municipalities of Anekal and Kankanhalli as suggested in your letter under reply will embarass the finances if these are not to be continued as Municipalities. But as these are Taluk Head-quarter towns, it is quite necessary to retain them as Municipalities, though in the case of Kankanhalli it is not possible under the existing rules to bring it under the operation of the new Municipal -- Regulation. For the present the number of articles subjected to octori duty, may be reduced as explained in para 4 supra. This step is recommended in order to afford a chance to the Municipalities to improve their finances under the heads house tax and mohatarfa and to see how far the further abolition of octroi taxation is practicable. To recoup the loss resulting by the partial abolition of octori, a small lighting tax not exceeding one-eighth of the amount of house-tax now levied may be imposed without much inconvenience to the rate payers. Recourse may be had to this new taxation only if it is found that the revision of house and mohatarfa taxes by 25 per cent does not bring in sufficient revenue. In this connection, I may state that in the case of regulation Municipalities, if the

octroi is abolished, the recoupment of the loss by raising the value of houses is not a matter entirely within the discretion of Government Officers. The Municipality will have to fix the valuation and such valuation will be subject to an appeal to a Magistrate under section 86 of the new Municipal Regulation Thus, before any ~~octroi~~ action could be taken in the matter, the Municipalities concerned will have to be consulted, but this could not be done now, as the subject was ~~required~~ required to be treated as confidential

I have the honor to be,

Sir,

Your most obedient servant

Deputy Commissioner

[F.R.S. 25]

File No 145-10
Serial No 11

Diary No of letter replied to

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT

, the 19

Date of issue.

Signed by

READ—

Note dated the 25th August 1910 from the Comptroller and Ex-officio Secretary to the Government.

2 The following Communication from the Commissioner of Orders Reserved No Districts in reply to this Office letter No 9611-2 Mucul No 8-10-2 dated the 20th May 1911.

P.T.O.

over

SUBJECT

Communication

No	Date	District
1 - 522	24.6.1911	Chikkamagalur
2 ... 529	26.6.1911	Tumkur
3 715	30.6.1911	Mysore
4 24	17.7.1911	Kadur
5 45	19.7.1911	Kolar
6 29/8	24.7.1911	Hassan
7 15	27.7.1911	Shimoga
8 5423	2.8.1911	Bangalore

Order

To the Revenue of Rs 65 & the Comptroller etc.

GRS 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation Sheet draft form.)

Order thereon No 6981-9

In his note dated the 25th August 1910 the Comptroller and Financial Secretary to the Government suggested for the consideration of the Government that it would be desirable to abolish octroi in municipalities in the State having regard to the inherent defects of that system of taxation. The chief of these defects are

(i) that octroi allows leakage of revenue,

(ii) that it allows facilities to municipal employees for peculation and oppression

(iii) that it hampers the free course of trade, and

(iv) that it causes inconvenience, loss, expense and delay to the trader whenever he comes in contact with the Octroi Department.

2 As the entire abolition of Octroi which is an important item of revenue in several Municipalities, may create serious financial embarrassment to the Municipalities concerned, it was suggested to the Dy Comrs that while the entire abolition of Octroi should be kept in view as an object to be attained gradually and in course of time, steps should be taken in the immediate future to abolish Octroi

M.

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation Sheet draft form.)

action in the smaller municipalities, where the action receipts were very low, and that, in other places, the number of articles on which the tax was levied should be gradually reduced, a slight increase in the house and mohalla taxes in these places probably making up for the loss and putting these municipalities on a safe working basis, and their opinions were called for. ~~on the question~~

3 The majority of the City Courts are not in favour of abolishing action either entirely or partially for the chief reason that it will not be an easy matter to replace it by any other tax which

21/8/52

GPB—10,000—22-8-11

will not be considered oppressive by the citizens and that the loss cannot be made up by raising the house and the Mohalla tax as Mr. Moreover unlike the octroi are indirect & obligatory -

4. Under these circumstances, the Government direct that the correspondence be recorded with the remark that if any Municipal Council or Board is disposed to abolish octroi either entirely or partially it may do so after submitting definite proposals and obtaining their sanction of Govt -

Print

Secretary

26. 10 1911

The Director of Stats
" Comptroller

29/10/11

4/3/12

Proceedings of the Government of His Highness the Maharaja of Mysore, Local Fund and Sanitary (Municipal), dated 26th March 1912

READ—

Note dated the 25th August 1910, from the Comptroller and Financial Secretary to the Government

2. The following communications from the Deputy Commissioners of Districts in reply to this office letter No 9611-8—Ml 148-10-2, dated the 20th May 1911

Communication No.	Date	District
(1) 522	24th June 1911	Chitaldrug
(2) 529	26th June 1911	Tumkur
(3) 715	30th June 1911	Mysore
(4) 24	17th July 1911	Kadur
(5) 45	19th July 1911	Kolar
(6) 29—S	24th July 1911	Hassan
(7) 15	27th July 1911	Shimoga
(8) D F 23	2nd August 1911	Bangalore

No 6981-9—Ml 148-10-11, DATED BANGALORE, 26TH MARCH 1912

SC 11.

ORDER THEREON —In his note dated the 25th August 1910, the Comptroller and Financial Secretary to the Government suggested for the consideration of the Government that it would be desirable to abolish octroi in Municipalities in the State, having regard to the inherent defects of that system of taxation The chief of these defects are—

(i) that octroi allows leakage of revenue,
(ii) that it allows facilities to Municipal employees for peculation and oppression,
(iii) that it hampers the free course of trade, and
(iv) that it causes inconvenience, loss, expense and delay to the trader wherever he comes in contact with the Octroi Department

2 As the entire abolition of octroi, which is an important item of revenue in several Municipalities, may create serious financial embarrassment to the Municipalities concerned, it was suggested to the Deputy Commissioners that while the entire abolition of octroi should be kept in view as an object to be attained gradually and in course of time, steps should be taken in the immediate future to abolish octroi in the smaller Municipalities where the octroi receipts were very low, and that, in other places, the number of articles on which this tax was levied should be gradually reduced, a slight increase in the house and mohatarfa taxes in these places probably making up for the loss and putting these Municipalities on a safe working basis, and their opinions were called for

3 The majority of the Deputy Commissioners are not in favor of abolishing octroi either entirely or partially for the chief reason that it will not be an easy matter to replace it by any other tax which will not be considered oppressive by the citizens and that the loss cannot be made up by raising the house and the mohatarfa taxes, which moreover, unlike the octroi, are inelastic and obligatory

4 Under these circumstances Government direct that the correspondence be recorded with the remark that, if any Municipal Council or Board is disposed to abolish octroi either entirely or partially, it may do so after submitting definite proposals and obtaining sanction of Government

C S BALASUNDARAM IYER,
Offg Secy to Govt, Genl of Rev Deptt

To—The Deputy Commissioners of Districts
The Comptroller, Mysore Government

1911-12

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

LOCAL FUND AND SANITARY
(MUNICIPAL)

PROCEEDINGS

Dated 26th March 1912

No. 69812
M1 148-10-11

110

Records the correspondence relating to the abolition of octroi in the Municipalities of the State with the remark that, if any Municipal Council or Board is disposed to abolish octroi either entirely or partially, it may do so after submitting definite proposals and obtaining the sanction of Government.

GPB—10-4-12—630

Vol-B or
Vol-25

Final

1911-12

FILE No. ML. 148 OF 1910.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

MUNICIPAL

MARCH.

"A." Collection. Serial Nos 1— 11

Abolition or modification of Octroi taxation in the Municipalities of the State.

TABLE OF CONTENTS

Serial No. of File	Number and date of letters and contents	References	Page in part A
1	Note No. 170, dated 25th August 1910, from J S Chakravarti, Esq., M.A., F.M.A.S., F.S.A., Comptroller and Financial Secretary to the Government of His Highness the Maharaja of Mysore. Suggests that an attempt be made to replace octroi in the Municipalities of the State by a re-assessment of the rates on holdings, trade taxes, market dues, etc., and that this be attempted in the Shimoga Municipality to begin with		
2	To the Deputy Commissioners of Districts, No. 2011-8, dated 20th May 1911. Requests the Deputy Commissioners to express their opinions within one month as to whether the octroi taxation may be done away with, or if this be not practicable, whether it is possible to reduce the number of articles on which the duty is levied, and also requests them to state.— I the places where octroi may be abolished wholly, II the places where the number of articles taxed may be reduced and the articles on which the octroi may be abolished, and III. whether, in both the above cases, it is necessary to raise the the other taxes, rates and rents and if so, to what extent, or what other tax, if any, should be imposed.		

Serial No of File	Number and date of letters and contents	References	Page in part A
3	From the Deputy Commissioner, Chitaldrug District, No 522, dated 24th June 1911 States that the entire abolition of octroi all at once on the score of there being inherent defects in the collection of this tax will result in material financial loss to the several poor municipalities in the District to the extent of 40 per cent of their revenue, that it is not possible to make up this loss by increasing the mohatarfa taxes, that income tax which has disadvantages nearly as great as those of octroi, is the only substitute for octroi, that, if Government should decide on income tax there can be no objection to abolishing octroi, and that, otherwise, a ~~[illegible]~~ scheme, will be to abolish octroi on all articles except cloth and make up the difference by increase in mohatarfa		x
4	From the Deputy Commissioner, Tumkur District, No. 529, dated 26th June 1911 Suggests that octroi on cloth in the Pavagada Municipality and that on cocoanuts, fresh and dry, in the Gubbi and Sira Municipalities may be done away with and states that octroi should be abolished as soon as we can find other unobjectionable substitutes and if the above suggestions be approved proposals will be submitted to make up the loss from other sources in the above mentioned three municipalities and that the remaining municipalities will also be similarly dealt with later on.		
5	From the Deputy Commissioner, Mysore District, No. 715, dated 30th June 1911 Submits the following opinions — (1) Octroi need not be abolished either wholly or partially in any of the municipalities of the Mysore District as they can ill-afford to lose the income from octroi in their present circumstances (2) The present number of articles which pay octroi may remain as it is and it may even be desirable that some more articles should be added to the list to increase the revenue under this head. (3) Under the present condition it does not appear feasible to raise the other taxes, such as house tax or shop tax which are already complained of as heavy		
6	From the Deputy Commissioner, Kadur District, No 24, dated 17th July 1911 States that, for the present it is not practicable, especially in the minor municipalities, to abolish the octroi and replace it by any other source of revenue, and that it is possible to cut down the list of articles subjected to octroi in each municipality by removing from the list such of them as do not yield an appreciable revenue, and submits a list of the articles proposed to be excluded from taxation in each municipality		
7	From the Deputy Commissioner, Kolar District, No 45, dated 19th July 1911 States that octroi is one of the chief sources of revenue in Kolar, Chikballapur, Sidlaghatta, Chintamani and Bowringpet Municipalities, that this tax should continue to be levied in these municipalities till other sources of revenue are secured to compensate the loss that may accrue by the abolition of octroi, that the income from octroi which is solely derived from cloth in Malbagal, Srinivaspur, Bagepalli, Gudibanda and Malur, though small these municipalities cannot afford to lose this income and that the income from cocoanuts, fresh and dry sugar, jaggery ghee, sheep and goats, oil and tobacco being insignificant in Goribidnur, these articles may be excluded from the list of dutiable articles in that town		
8	From the Deputy Commissioner, Hassan District, No 29, dated 24th July 1911 States that the duty levied on fresh and dry cocoanuts in all the municipalities in the District, and that on jaggery, ghee, sugar and butter in the Hassan Municipality may be done away with, that the question of introducing slaughtering fees in the municipalities where it is not now levied may be considered along with the taxing scheme of fees on trade in		

Serial No. of File	Number and date of letters and contents	References	Page in part A
	cattle and hides, that similarly the levy of toll on all incoming cart traffic may be considered for being worked on contract system, and if the system of tolls proves a success, then the question of abolishing octroi may be considered.		
9	From the Deputy Commissioner, Shimoga District, No 15, dated 27th July 1911 States that octroi duty cannot be abolished in any of the marginally noted municipalities, that without octroi the municipalities will cease to exist as a self supporting institution, that it is in contemplation to revise the assessment of house tax and that if it should be found to result in an increase countervailing the probable loss from abolition of octroi, proposals will be submitted on that behalf to Government. 1 Chennagiri. 2. Honnali 3. Nyamti. 4 Sorab 5 Kallurkatte.		
10	From the Deputy Commissioner, Bangalore District, No. 23, dated 2nd August 1911 Recommends (1) the abolition of octroi in the municipalities of Tyamagondlu, Sarjapur and Vadigenhalli, (2) the conversion of these places into unions under the Local Boards Regulation, (3) the abolition of octroi on dry cocoanuts, oil, ghee, jaggery and tobacco in the remaining municipalities in the District in consideration of the poor income realised from the duty on the said articles, and (4) the imposition of lighting tax not exceeding ¼ of the house tax now levied in case it is found that the revision of house and mohatarfa taxes by 25 per cent does not bring in sufficient revenue.		
11	To the Deputy Commissioners of Districts and the Comptroller, No. 6981 9, dated 26th March 1912. Records the correspondence with the remark that if any Municipal, Council or Board is disposed to abolish octroi either entirely or partially, it may do so after submitting definite proposals and obtaining the sanction of Government.		

1/8

SECOND
Final PROOF FOR APPROVAL
6 9 12

1910

GENERAL AND REVENUE SECRETARIAT

MUNICIPAL

NOTES

FILE No 148 OF 1910 11

Abolition or Modification of Octroi taxation in the Municipalities of the State

Note No 170, dated 25th August 1910, from J S Chakravarti, Esq, M A, F R A S, F S A, Comptroller and Financial Secretary to the Government of His Highness the Maharaja of Mysore

1 Suggests that an attempt be made to replace octroi in the Municipalities of the State by a reassessment of the rates on holdings, trade taxes, market dues, etc, and that this may be tried in the Shimoga Municipality

To

Assistant Secretary, Branch IV, for a note on the subject

K P P
30 8 10

2 The question whether the system of octroi may be wholly abolished and in that case from what sources the income derived therefrom can be replaced, has been investigated by the Municipal Taxation Committee of the United Provinces and their learned report deals with the subject exhaustively The Comptroller thinks that "the United Provinces Committee had no member on it conversant with the affairs of Municipalities in non-octroi provinces" and that "this limited vision made the Committee somewhat nervous about abolishing everything of the nature of octroi altogether" The Comptroller's suggestion is that octroi should be totally abolished that house tax should be made the mainstay of Municipal taxation and that the income lost by the abolition of octroi should be replaced by a reassessment of the rate on holdings, trade taxes, market dues etc

3 The octroi is an indirect tax and the advantages and disadvantages of octroi as a source of Municipal Revenue are summarised in Section VII of the Committee's report For the reasons contained in Section VIII, pages 31 and 32, the Committee are of opinion that "the house tax cannot be looked upon as a general substitute for octroi" or "as other than a second string of the Financial bow" It has come recently within our experience how opposed the inhabitants of certain villages were to the constitution of those villages into unions merely because it involved the payment of house tax Any proposal to increase the present rate of house tax is not likely to be viewed with favour by the people

4 The maximum rate of house tax which may be imposed has been fixed by the Regulation and if any attempt be made to replace the octroi by house tax this maximum has to be exceeded The Comptroller thinks that this difficulty may be avoided by consolidating the house tax with certain other taxes and imposing a consolidated tax in the manner provided in Section 59 (c) of the Municipal Regulation No doubt, this proviso does not fix the maximum of the consolidated tax but it seems to follow by reading Section 59 as a whole that the maximum rate of the consolidated tax should not exceed the sum total of the maximum rates of the different kinds of taxes consolidated The taxes which may be consolidated are (1) house tax (2) general sanitary cess (3) water tax and (4) lighting tax Except in the case of the general sanitary cess, the maximum rates are fixed by the Regulation The general sanitary cess has not been imposed in the Municipalities

5 In connection with the trade taxes proposed by the Comptroller as one of the sources by which octroi could be replaced, it should be noted that the mohatarfa system of taxation to which the trade taxes correspond, has already been in force in our Municipal towns To replace the mohatarfa system in Municipalities governed by the Municipal Regulation by the taxes specified in Section 59 thereof is extremely desirable but it cannot be stated to what extent, the Municipal income will increase thereby

6 As regards markets, fees are being levied in Municipal towns in which *Santhes* are held and rents are levied for stalls built out of Municipal Funds and belonging to the Municipality

7 The Comptroller desires a practical test of his suggestions and proposes that Municipal Councils be consulted, the gerenal lines on which octroi may be abolished and its income replaced by other sources being indicated to them To this there can be no objection The statement put up herewith shows that the income and expenditure in many of our Municipalities just balance each other and that the income from octroi cannot be foregone without finding some other source to replace the same The Comptroller says that he knows that the Shimoga Municipal Council are willing to try the experiment but Shimoga is the last place where the experiment should be allowed to be tried on account of its present extremely unsatisfactory Financial condition and the need there exists of augmenting its income by increasing the water rate or finding other sources of income Further, the water rate is just imposed and the experiment if tried, there is sure to give rise to loud and bitter complaints and is not at all likely to succeed

8 If approved, an order will be put up calling for the opinions of the Municipal Councils, as suggested by the Comotroller

K M
28-9 10

9 There is no doubt much to be said against the octroi and the report of the octroi Commission in the United Provinces affords very interesting and instructive reading In Mysore the old sayer system was so familiar to the people that they saw nothing unusual or troublesome in the octroi which presented so many features of similarity to the sayer taxes

10 In the United Provinces octroi has been recently abolished in several Municipalities and similar action seems not undesirable in Mysore As has been pointed out in the memorandum of M Srinivasiengar octroi is an important head of Municipal Revenue in several Municipalities and if it is to be abolished, the house tax will have to be doubled to prevent loss of Revenue Such a sudden increase of taxation would be very unpopular and also press hard on one section of the people

11 What can and should be done seems to be that the entire abolition of octroi should be kept in view as an ideal and that in the immediate future octroi may be abolished in small Municipalities such as those noted ~~in the~~ below where the octroi receipts are very low, and that in other places the number of articles on which octroi is levied may be gradually reduced In most of ~~the~~ places noted ~~in the margin~~ the octroi can be taken off without much trouble and if necessary a slight increase in the rates of house and mohatarfa taxes (say not exceeding 2 per cent) would put the Municipalities on a safe working basis —

1 Bangalore District—
- 1 Kankanhalli (330) *
- 2 Anekal (567)
- 3 Sarjapur (281)

2 Kolar District—
- 4 Srinivaspur (242)
- 5 Mulbagal (420)
- 6 Bagepalli (29)
- 7 Gudibanda (121)
- 8 Malur (125)

3 Tumkur District—
- 9 Pavagada (78)

4 Mysore District—
- 10 Heggaddevankote (205)
- 11 Periyapatna (450)
- 12 Bannur (503)
- 13 Krishnarajpete (497)
- 14 French Rocks (424)

5 Shimoga District—
- 15 Channagiri (434)
- 16 Honnali (391)
- 17 Nyamti (213)
- 18 Sorab (285)
- 19 Kallurkatte (153)

6 Kadur District—
- 20 Yelehalli (200)

7 Chitaldrug District—
- 21 Harihar (713)
- 22 Holalur (130)
- 23 Molakalmuru (388)

* The figures give average octroi receipts for the three years 06 07 to 08 09

12 In regard to the bigger Municipalities the Councils may be consulted in the manner suggested by the Comptroller and Financial Secretary

13 With reference to Shimoga, where Mr Chakravarti thinks a trial can be made, I am not so sanguine of success as he is but there is no harm in asking the Municipal Council to make a trial if they are so inclined From the fact that there is no provision for refunds in the Municipal budget and from the facts noted in a memo by Mr Mrityunjaya Iyer when Vice-President of the Shimoga town Municipality there is no doubt that octroi administration in that Town is very lax and presses lightly on the trading community In Shimoga no separate lighting tax is levied and such a tax would be one of the way in which the octroi may be replaced.

C S BALASUNDARAM IYER
3-4-1911

~~K M~~
~~3 4 1911.~~

14 The opinions of the Deputy Commissioners, Presidents of Municipalities may be invited (excepting the City Municipal Councils of Bangalore and Mysore) Please put up draft for Dewan's approval

K P P
5 4-1911

15 Put up draft

C S BALASUNDARAM IYER
5 4-11

H V K
5/5/11

16 Draft of a letter is submitted

K MYLAR RAO
19-4 11

~~17. Secretary~~
H V K S M J
17 4 1911.

17 ~~18~~ 1st Councilor and Dewan

C S BALASUNDARAM IYER
26 4-11

18 ~~19.~~ May be approved

K P P
29 4 11

~~K M~~
~~29-4 11~~

20 ~~21. (1)~~ Issue draft

C S BALASUNDARAM IYER
18 5 11

---

2 *To the Deputy Commissioners of Districts, No 9611 8—~~Ml 149-10-12,~~ dated 20th May 1911*

Requests the Deputy Commissioners to express their opinions within one month as to whether the octroi taxation may be done away with or if this be not practicable, whether it is possible to reduce the number of articles on which the duty is levied and also requests them to state—

I the places where octroi may be abolished wholly

II the places where the number of articles taxed may be reduced and the articles on which the octroi may be abolished and

III in both the above cases, whether it is necessary to raise the other taxes, rates and rents and if so, to what extent or what other new tax, if any, should be imposed

---

Draft approved
M- Should be Confident
J A R 15 5 19"

3 *The Deputy Commissioner, Chitaldrug District, No 522, dated 24th June 1911*

States that the entire abolition of octroi all at once on the score of there being inherent defects in the collection of this tax will bring in material financial loss to the several poor Municipalities in the district to the extent of 40 per cent of their revenue, that it is not possible to make up this loss by increasing the mohatarfa taxes, that income tax which has disadvantages nearly as great as those of octroi is the only substitute for octroi, that, if Government should decide on income tax, there can be no objection to abolishing octroi, and that, otherwise, a *via Media* will be to abolish octroi on all articles except cloth and make up the difference by increase in mohatarfa

---

4 *From the Deputy Commissioner, Tumkur District, No 529, dated 26th June 1911*

Suggests that octroi on cloth in the Pavagada Municipality and that on coco nuts, fresh and dry, in the Gubbi and Sira Municipalities may be done away with and states that octroi should be done away with as soon as we can find other unobjectionable substitutes, and if the above suggestions be approved proposals will be submitted to make up the loss from other sources in the above three Municipalities and that the remaining Municipalities also will be similarly dealt with later on

---

5 *From the Deputy Commissioner, Mysore District, No 715, dated 30th June 1911*

Submits the following opinions—

(1) Octroi need not be abolished either wholly or partially in any of the Municipalities of the Mysore District as they can ill afford to lose it under their present circumstances

(2) The present number of articles which pay octroi may remain as it is, and it may even be desirable that some more articles should be added to the list to increase the revenue under this head

(3) Under the present condition it does not appear feasible to raise the other taxes such as house tax or shop tax which are already complained of as heavy

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6 *From the Deputy Commissioner, Kadur District, No 24, dated 17th July 1911*

States that, for the present, it is not practicable, especially in the Minor Municipalities, to abolish the octroi and replace it by any other source of revenue, and that it is possible to cut down the list of articles subjected to octroi in each Municipality by removing from the list such of them as do not yield an appreciable revenue and submits a list of the articles proposed to be excluded in each Municipality

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7 *From the Deputy Commissioner, Kolar District, No 45, dated 19th July 1911*

States that octroi is one of the chief sources of revenue in Kolar, Chikballapur, Sidlaghatta, Chintamani and Bowringpet, that this tax should continue to be levied in these Municipalities till other sources of revenue are secured to compensate the loss that may accrue by the abolition of octroi, and that the octroi income which is solely derived from cloth in Mulbagal, Srinivaspur, Bagepalli, Gudibanda and Malur though small, these Municipalities cannot afford to lose this income and that the income from the marginally noted sources being insignificant in Goribidnur these articles may be excluded from the list of dutiable articles in that town

Cocoanuts fresh and dry sugar jaggery ghee, sheep and goats oil and tobacco

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8 *From the Deputy Commissioner, Hassan District, No 29, dated 24th July 1911*

States that the duty levied on fresh and dry cocoanuts may be done away within all the Municipalities of the District and the duty on jaggery, ghee, sugar and butter in the Hassan Municipality may also be abolished, that the question of introducing slaughtering fees in the Municipalities where it is not now levied may be considered along with the fixing of a small rate of fee on trade in cattle and hides, that similarly the levy of toll on all incoming cart traffic may be considered for being worked on contract system and if the system of tolls proves a success then the question of abolishing octroi may be considered

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9 *From the Deputy Commissioner, Shimoga District, No 15, dated 27th July 1911*

States that Octroi duty cannot be abolished in any of the marginally noted Municipalities, that without octroi, the Municipalities will cease to exist as a self-supporting institution, that it is in contemplation to revise the assessment of house-tax, and that if it should be found to result in an increase countervailing the probable loss from abolition of octroi, proposals will be submitted on that behalf to Government

1 Shimoga
2 Honnali.
3 Nyamti
4 Sorab.
5 Kallurkatte

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10 *From the Deputy Commissioner, Bangalore District, No 28, dated 2nd August 1911*

Recommends (1) the abolition of Octroi in the Municipalities of Tyamagondlu, Sarjapur and Vadigenahalli, (2) the conversion of these places into Unions under the Local Boards Regulation (3) the abolition of Octroi on the marginally noted articles in the remaining Municipalities in consideration of the poor income realized from the duty on the said articles, and the imposition of lighting tax not exceeding ½ of the house-tax now levied in case it is found that the revision of house and mohatarfa taxes by 25% does not bring in sufficient revenue

1 Dry cocoanuts
2 Oil
3 Ghee
4 Jaggery
5 Tobacco

22 A statement showing the opinions and recommendations of the several Deputy Commissioners is put up

23 The opinions of the Deputy Commissioners are briefly as shown below —

(i) The Deputy Commissioner of the Chitaldrug District is of opinion that Octroi may be abolished entirely if the Municipalities are permitted to levy income tax, otherwise, he says, that the duty on all the articles except cloth may be done away with and the mohatarfa tax increased to compensate for the loss.

(ii) The Deputy Commissioner of the Hassan District recommends the abolition of Octroi on cocoanuts fresh and dry in all the Municipalities and on certain other articles also in the Hassan Municipality To make up the loss he proposes the levy of slaughter house fees and fees on the trade in hides. If there be no sufficient income from these sources, toll on carts should be levied If the income from these sources improves the finances of the Municipalities then the question of abolishing Octroi entirely and revising the house and mohatarfa taxes may be considered That Octroi being an indirect tax is almost invisible in its effects and that it is not felt in the same way as any direct tax which immediately touches the pockets of the tax payers is the opinion of this Deputy Commissioner

(iii) The Deputy Commissioner of the Kadur District is of opinion that it will not be an easy matter to replace Octroi by any other tax which will not be considered oppressive by the residents House-tax in the minor Municipalities has, he says, reached the maximum prescribed and may not be capable of enhancement He advocates the levy of tolls which, he says, may be expected to yield a substantial revenue This Deputy Commissioner seems to think that this tax while being free from the evils attending Octroi would not result in financial loss to Municipalities

(iv) The Deputy Commissioner of the Tumkur District opines that Octroi duties are an obstruction to trade and should be done away with as soon as "we can find other unobjectionable substitutes" He adds that if the Government approve this (and other suggestions for the reduction of the dutiable articles in certain Municipalities) suggestion, proposals will be submitted to make up the loss from other sources

(v) The Deputy Commissioner of the Bangalore District considers that the entire abolition of Octroi at this stage of our experience of Municipal Administration is neither possible nor expedient, but that it should be the object to be aimed at in the distant future

(vi) The Deputy Commissioners of the Kolar and Shimoga Districts have not considered the question in all its aspects The Deputy Commissioner of Shimoga District simply states that the octroi cannot be done away with in the Municipalities mentioned in our letter of the 20th May 1911, while the Deputy Commissioner, Kolar District, opines that it cannot be abolished in any of the Municipalities in his district

(vii) The Deputy Commissioner of the Mysore District is averse to Octroi being abolished Instead of reducing the number of articles now being taxed, he says that some more articles should be brought under taxation This Deputy Commissioner is of opinion that the Octroi is an unobjectionable tax

~~35~~ The opinion of the Deputy Commissioner, Mysore District, is based on that of Mr Hebbkar who belongs to the Bombay Presidency where the Octroi has been in existence The octroi is levied on almost all grains and other articles of domestic need For example, attention is invited to the schedule of articles on which Octroi is levied in the Dharwar Municipality The report of the Municipal Taxation Committee of the United Provinces and the resolution of the Government of those Provinces might have been forwarded to the Bombay Government It would be interesting to know what their policy on the matter has been since

23 ~~36~~ The statement referred to in para ~~33 supra~~ shows where Octroi may be abolished entirely and where partially The recommendations of the Deputy Commissioners may be approved

24 ~~37~~ The Deputy Commissioner of the Bangalore District recommends the conversion of Thyamagondlu, Sarjapur and Vadigenhalli into Unions under the Local Boards Regulation This recommendation deserves consideration

25 ~~24~~ The suggestion of the Deputy Commissioners of Kadur and Hassan to permit Municipalities to levy tolls does not commend itself to Government for reasons given in their Proceedings No 1660, Muni 175 09 4, dated 17 August 1910

26 ~~25~~ In para 5 of his letter No 23, dated 2nd August 1911, the Deputy Commissioner of the Bangalore District states "that in the case of regulation Municipalities, if the Octroi is abolished, the recoupment of the loss by raising the value of houses is not a matter entirely within the discretion of Government Officers In this connection attention is invited to sections 73 & 74 of the Mysore Municipal Regulation The income has to be improved by raising the rates on houses and lands and not by "raising the value of houses' as stated by the Deputy Commissioner

~~Submitted for order~~

NM 15 8 1911 (H V K)

27 ~~26~~ The total abolition of the Octroi is not agreed to by any of the Deputy Commissioners Except the Deputy Commissioner of Mysore the others have no objection to a reduction of the number of articles on which octroi is now levied The income tax or in other words, the tax on arts, professions etc, is regarded as defective as the octroi and is not approved of as a substitute for the latter The extent to which the present rates of house and mohatarfa taxes may be raised and the probable increase in the income which may be expected by a revision of the taxes have not been stated in any case except French Rocks, Krishnarajpete Mandya and Nagamangala and the information furnished in the case of these four Municipalities is meagre and insufficient

~~27~~ For purposes of experiment, one Municipality may be selected in each District, whose financial condition is sound and which can bear the loss, if any accrues The selection may be left to the Deputy Commissioner and he may be requested to make the selection in consultation with the Municipal Council concerned The house and other taxes may be enhanced in that Municipality to the extent necessary, permitted by law, and fresh sources of income, if any, tapped and the octroi may be abolished temporarily either entirely or on all articles except piece goods

K Mylar Rao
~~K M R~~

18 8 1911

29 ~~28~~ In view of the opinions expressed by the Deputy Commissioners the practicability of abolishing octroi even on an experimental scale seems remote The existing state of things may be allowed to go on, until public opinion as represented by Municipal Councils feels the necessity of replacing octroi by other taxes

C S Balasundaram Ge
11-9-11

~~K. M.~~
~~11-9-11.~~

30. ~~29.~~ This is a big question and may be brought up after the Dasara

K P P
13-9-11

3 Re submitted for orders

K Mylar Rao
19 10 11

H V K
19 10-11.

32 ~~31~~ If any of the Municipalities are disposed to try the experiment, we may let them do so But definite proposals, should be submitted and sanction obtained

K P P
20-10-11

33 ~~32~~ Put up draft reading the reports with remarks as above

C S Balasundaram Ge
25 10 11

34 ~~33~~ Draft of an order is submitted

H V K
26 10 11

~~34 Secretary~~

K Mylar Rao
26-10 11

35 ~~35.~~ 1st Councillor and Dewan

C S Balasundaram Ge
27 10 11

~~K M~~
~~27-10-11.~~

36 May be approved

K P P
29-10-11
~~C S~~ B

37 (1) Draft approved
(2) Please circulate to present Councillors for approval also before issue

T A R
~~9-11-02~~

2-5 16 12

38. Submitted to 1st Councillor

C S B alasmudaram
5 3-12

39 The draft is alright

H V N
6 3-12

40 2nd Councillor

C S B alasmudaram
11 3 12

41 Seen.

D D U
13 3 12

42 Issue draft

C S B alasmudaram
13-3-12

To the Deputy Commissioners of Districts and the Comptroller
No 6981-9, dated 26th March 1912

Records the correspondence with the remark that if any Municipal Council or Board is disposed to abolish Octroi either entirely or partially it may do so after submitting definite proposals and obtaining the sanction of Government

Possibility of modifying or abolishing octroi in Mysore State

Proceedings e Government of His Highness the Maharaja of Mysore,

Abolition or modification of Octroi taxation in the Municipalities of the State

FILE No 148 of 1910 11

Note No 870, dated 25th ust 1910 from J S Chakravarti, Esq , M A , F R A S , F S A , Comptroller nancial Secretary to the Government of Mysore

Serial No 1

n connection with ubject my note of 8th November 1909, and Mr B Srinivas yengar's note of 18th January 1910, with my marginal remarks may be kindly read Though I do not agree with Mr Srinivas Iyengar's conclusions I am glad to say that he has discussed the subject with clearness and ability and his note is really a very good one

2 If Government are desirous of taking any action in the matter and in my opinion action should certainly be taken I would suggest action in the direction of practical test rather than of theoretical discussion Let some Municipalities be selected and let an attempt be made to replace *octroi* in those Municipalities by a reassessment of the rate on holdings, trade taxes, market dues, etc I have reasons to believe, for instance, that the Commissioners of the Shimoga Municipality will be ready to make an attempt in the direction if permitted by Government If a few Municipalities demonstrate by actual working that they can do without octroi, others may gradually follow the example, and ~~on import the existence~~ of which forms one of the most serious obstacles in the way of securing purity of Municipal administration may in course of time disappear

3 The details as to how the loss of income owing to the abolition of octroi is to be made good, should be suggested by the Municipal Commissioners themselves Government will only indicate the general lines on which action may be taken The bulk of the loss will of course be made good by a revision of the assessment on the rates on holdings But the trades which now for the most part pay the octroi duty should be suitably taxed After the detailed plan is received from the Municipal Commissioners it should be scrutinized by Government and the arrangements sanctioned with such modifications as may seem necessary

4 There is one difficulty in the way of carrying out the above plan If octroi is to be abolished, the rate on holdings may have to be substantially raised Of course strictness of collection will considerably improve matters over the circumstances existing at present but the legal maximum of 6 per cent on the annual letting value or 8 as per Rs 100 on the value itself prescribed in Section 59 (b) of the Municipal Regulation seem too low for non octroi conditions Some provinces in which octroi is not levied manage with a legal maximum of 7½ per cent and if an earnest endeavour is to be made for getting rid of octroi, it may be necessary to raise the legal limits referred to above

5 Immediate legislative action does not however seem to be necessary to give effect to the suggestions referred to above *viz*, to test the possibility of replacing octroi by other taxes in selected Municipalities Clause (c) of the proviso of Section 59 of the Municipal Regulations provides for the levy of a consolidated tax under certain circumstances and the maximum of such consolidated tax does not appear to be laid down By adopting a suitable rate for the consolidated tax the difficulty referred to in the above paragraph may perhaps be avoided

6 I would leave the City Municipalities alone for the present and would take up their case only when difficulties arising in the case of other Municipalities are successfully got over

(ENCLOSURE)

Account Local Funds

The octroi is theoretically a very sound method of raising Municipal Revenue but in actual practice in India there are some very great drawbacks as regards this source of income

The greatest of these drawbacks is difficulty of preventing leakage It is an admitted fact that as regards octroi the people pay much more than the Municipalities receive It is not an exaggeration to say that the practical difficulties in the way of working the *octroi* system efficiently and without loss are almost insuperable

So long as octroi will be one of the chief sources of revenue of our Municipalities it will be practically impossible to eliminate corruption from the machinery of Municipal administration

The system of farming removes the evil to some extent so far as the Municipalities are concerned but the evil remains all the same so far as the people and the public revenues are concerned The wide margin between the amount taken from the people and the amount which goes to the Municipal fund remains and the corruption simply passes on to some extent from Municipal employees to the servants and agents of the farmer

In some provinces in British India there is no octroi and in one where *octroi* is the chief source of Municipal revenue the Government are contemplating measures ~~from~~ its abolition A well regulated tax on owners and occupiers of holdings within Municipal limits seems to me to be a much better system of raising Municipal revenue than octroi The chief advantages of this system are that it can be easily controlled and that there is less room under this system for leakage and corruption

I shall be obliged if you can find out whether the question was discussed before and if so with what result you can consult the Local Fund section of the Secretariat unofficially for such information as you may require The point for consideration is whether it is practicable to do away with the *octroi* in Mysore by substituting a suitable house tax in its place

Please submit your note on the above subject within three months from this date 8 11 1909 J S Chikkaramaiah

Vide ~~typed~~ note submitted If further instructions regarding the line of enquiry be kindly given the investigation will be continued ~~Sd~~ B S 20 1 1910

The point for consideration is whether the octroi system of taxation can owing to its inherent defects be replaced by some well-regulated direct tax say the house tax in the Municipalities in Mysore

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Every tax whether direct or indirect is it must be admitted, felt as an inconvenience by the people and no tax however light is paid ungrudgingly by all the people on whom it is levied Collection of funds by means of taxation for public expenditure being necessary it is merely a question of degree as to which kind of tax is most suitable to a particular locality or people

Two of the most essential points of a good tax are that it should be so framed that the whole amount paid by the tax-payer should go to the Public Treasury and secondly that it should be collected with the least annoyance or inconvenience to the public or to trade In these two essential attributes the octroi tax is found wanting On the other hand, there are certain important advantages claimed for it In the first place the octroi or Town duty is an old tax ~~and is accordingly~~ *popular* not so unpopular as methods of direct taxation "An old tax is no tax" is a well known adage

The tax being a customary one for centuries and collected in such a way that the burden on individual transactions is small, the people do not it is argued feel the pinch of taxation In the 2nd place the tax is said to be most productive, growing with the prosperity of the town, because it is contributed not merely by all classes of Municipal residents, but also by consumers in outlying villages who happen to have transactions in the town

2 It is unnecessary to discuss here in detail the merits or demerits of this system of indirect taxation It has now been recognised by statesmen and financiers that it has certain inherent defects which far outweigh the several advantages claimed for it The collection of the tax by an inferior staff over whom there can not be proper and effective control, the existence of ample opportunities for fraud and peculation in the way of putting the public to unnecessary annoyance, the administration of the tax operating as a serious hindrance to through trade, and the difficulty of obtaining refunds on articles which have been already taxed once these are some of the salient objectionable features of the system The most convincing argument for condemning this tax in these days of advanced civilisation and progressive administration is that the trouble and annoyance to the public and to trade increases in proportion to the improvement in the efficiency of Municipal administration or in other words this system of taxation induces a system of hostility of ~~n e ste~~ between the Municipality and trade (Here I would offer a simple illustration from my own personal experience Very recently I happened to travel to Mysore from an outlying village with a dutiable article in my carriage At the Ookad I mentioned the fact to the octroi official on duty and offering the necessary duty called upon him to grant a receipt He explained to me that he was not empowered to grant a receipt, that the responsible official had gone home and that I should wait or depute somebody to wait in my behalf with the article at the barrier till the official returned and passed a receipt The article in question was worth a little more than a rupee and the duty levied thereon was little less than 4 annas but the delay, trouble and annoyance to me was so great that I even thought it not worth my while to take the article into the town under those circumstances) This is a very simple case the Municipality cannot but impose necessary restrictions and limitations on the powers of the Octroi officials, to safeguard its income while the inconvenience and worry to the public is out of all proportion to what the Municipality gets

3 In several European countries and in most of the Provinces of British India the Octroi has been given up It is, however, still in force in Bombay, Central Provinces and Punjab, and in United Provinces the Government appear to be considering the question of its abolition In that Province a Committee called 'The Municipal Taxation Committee' lately sat and exhaustively discussed the question raised in this note After discussing the several advantages and disadvantages of this system of taxation they came to the conclusion that Octroi should be abolished at any cost as an oppressive form of tax, which in the interests of trade and of political contentment should not be allowed to continue They observed that a system which involves constant and serious oppression to the members of a considerable class who are peculiarly unable to defend themselves or to voice their grievances is incompatible with good Government

4 To condemn the tax is a very simple matter If the Municipalities could afford to do away this form of taxation and carry on their administration as heretofore there would be no difficulty at all But that cannot be When one proceeds therefore to discuss the possible substitutes for Octroi the ground is not clear The committee of United Provinces who were decisive in their strong condemnation of the Octroi tax were equally decidedly of opinion that it is impossible to raise the income necessary for growing Municipalities without the taxation of commodities in some form or other and they recommended what is called a moderate Terminal Tax in place of the system of Octroi with refunds In the Punjab, Octroi remains the principal form of Municipal taxation accounting for 89% of the total income from rates and taxes A campaign against this tax has been initiated by the Punjab Trades Association The Local Government has long recognised to the full the many and strong objections that exist against it, but a substitute that will suit the conditions of the Province

It seems that the U P Committee had no member on it conversant with the affairs of Municipalities in non octroi provinces This limited vision made the committee somewhat nervous about abolishing every thing of the nature of Octroi altogether

has still to be devised ' Feasible methods of getting rid of Octroi in individual Municipalities not by means of raising or enhancing a Direct Tax, *e g*, a House Tax, but by imposing new taxes such as a quit tax or surcharge on Railway Tickets, are being considered, but it is said that wholesale abolition of the Tax in the Punjab under present conditions is out of the question

In Mysore, Octroi likewise is the chief source of revenue of Municipalities and contributes about 41 per cent of the total income from taxation, the revenue from house tax, the next important source, being only 26 per cent

5 The question of the abolition of Octroi in Municipalities was once incidentally raised in 1891 in connection with the difficulty of regulating the system of refunds of Octroi on goods passing through more than one Municipality The Durbar had then the advantage of witnessing the effect of the abolition of the Octroi in the Civil and Military Station of Bangalore 5 years before

In answer to the suggestion made by the late Mr Thumbu Chetty, as member of Council for abolishing Octroi 'an inquisitional and objectionable tax' the late Sir K Sheshadri Iyer observed as follows —" Theoretical perfection in taxation is rarely attainable in practice Octroi is the best under all the present circumstances It is less *unpopular* and more paying than any in the long list of Municipal taxes which are elsewhere imposed The question of refunds is somewhat intricate but I do not think abolition of Octroi and substitution of cart tax (a proposal made by Mr Chentsal Rao) will be a satisfactory solution Octroi is the mainstay of our revenue To get the amount of the present Octroi Revenue from Cart tax or tolls we must needs resort to rates most objectionably high When some years ago Civil and Military Station abolished Octroi I predicted they would find no suitable substitute That prediction has now come to pass and the Civil and Military Station are reintroducing Octroi '

If we make the rate on holdings the main stay the list will not be long

6 It may not be out of place to refer in some detail to the circumstances under which Octroi was once abolished and reimposed in the Cantonment of Bangalore At the instance of Major Maltby, the President of the Bangalore Cantonment Municipality, and on the recommendation made by the Municipal Board the Octroi (on tobacco betel leaves and dry and green cocoanuts) which was yielding a net revenue of Rs 35,000 was abolished by the Resident with effect from 1st April 1887 on the ground that these duties were vexatious to the public and that their abolition would be a salutary measure for many reasons and one which ought not to be opposed The deficiency caused by the abolition of these duties was first proposed by Major Maltby to be made good (1) by raising the house tax from 5 to 7½ and (2) by imposing heavy fees on slaughtered animals, *viz*, Cattle, sheep goats and pigs Owing to the very strong opposition to the raising of the house tax, the levy of a lighting rate of 1% and license fees on shops for the sale of tobacco and betel leaves together with the enhanced fees on animals slaughtered at the Municipal slaughter house were sanctioned In December 1889, *i e*, within a period of three years during which the Octroi tax was not collected, a proposal was made by the Municipal Board that the Octroi tax on tobacco and betel leaves should be reintroduced in the Civil and Military Station with a view to provide funds for the effectual drainage, sanitary and other improvements in the Station and after some discussion the levy of town duties on tobacco, betel leaves and cocoanuts was sanctioned with effect from April 1892 To minimise the inconvenience to the public exemption was however granted in favour of *bona fide* travellers or passengers bringing a specified quantity for personal consumption in a Railway train From 1900 the list of the Octroi Schedule was expanded by the addition of the important articles, *viz*, piece goods, timber and others with the result that the Octroi Revenue has more than doubled It now contributes in the Civil and Military Station almost as much as the house tax, *viz* 32% out of the total of 2½ lakhs As in the Punjab

the Trades Association in the Civil and Military Station have been clamouring for the abolition of the Octroi A few days ago they represented to the Resident the serious inconveniences to which they were put by the Octroi officials and that the evil cannot be removed but by the total abolition of the tax But the Resident seems to have replied to them that a radical cure was impossible in the depleated state of the finances of the Municipality and that possible improvements in the administration of the tax would however be effected

7 In the sister Municipality of the City of Bangalore the income from taxation does not far exceed 2 lakhs while the total receipts from all sources are only about 3 lakhs as compared to 2½ and 4½ respectively in the Cantonment In fact, the Municipalities in Mysore including the two City Municipalities are poor They are unable to bear their proper share of the burden in the way of providing primary education or medical help to their citizens If it is possible to tap new sources of taxation so as to increase their finances, they ought not to let slip the opportunity In this state of things the abolition of Octroi by substituting any other tax may at the outset seem to be out of the question On further consideration it will be seen that the discussion may lead to useful results and that it may be possible to abolish or reduce Octroi in all or most of the *minor* Municipalities The Municipal Taxation Committee in the United Provinces were decidedly in favour of abolishing the Octroi in small Municipalities where the income is comparatively insignificant when compared to the amount of trouble and worry to the people, where the cost of collection is high and where the agents, engaged in collection and supervision, are local men with vested interests, the opportunities for fraud, oppression and peculation being proportionately great

The Octroi income in the mofussil Municipalities in Mysore ranges from Rs 27 in Bagepalli to about Rs 12,000 in Chikmagalur There is no doubt of the fact that Octroi has been very productive everywhere and that but for the growth in that revenue simultaneously with the increasing demands the Municipalities would have been in a worse condition Taking the last quinquennium 1903 04, to 1908 09 we find that the total revenue expanded from Rs 5 83,000 to Rs 6,84,000 and that of the increase of one lakh octroi alone contributed Rs 68,000, while house tax has remained stationary, if it has not lagged behind In 1903-04 the former contributed 37% of the total, and house-tax 31% and in the latter year the percentages were 41 and 26 respectively In Bangalore and Mysore Cities the octroi has shared in the general growth of the revenues while the advance in the mofussil Municipalities has been much more marked Of course allowance must be made to the two circumstances, *viz* (i) that a large amount of house tax has remained uncollected year after year the percentage of collection being only about 57% of the demand, and (ii) that new items have in some cases been included in the Octroi Schedule But these are matters not materially affecting the main point, *viz*, the productivity of the Octroi tax

Of course if rate on holdings is made the mainstay of Municipal revenue the collections will have to be much better There are provinces where anything less than 90% is regarded as unsatisfactory collection requiring punishment of collecting staff I have seen Municipalities with 100 % collections

8 With these general observations, let us now proceed to discuss the cases of the City and the minor Municipalities in some detail and see how the replacement of Octroi by house tax will probably work in actual practice

9 *Bangalore*—In Bangalore City the income from Octroi after deducting refunds was in 1908 1909 Rs 77,000 out of a total revenue from taxation of 2,04,000 or nearly 37 per cent while the house tax contributed 42,000 or 20 per cent It is at once evident that there is a striking contrast between the City and the Cantonment in this respect For though the Octroi revenue in both places is about the same, the income from house tax in the City is only about half of that in the Cantonment This is due to 2 or 3 reasons One is that the percentage on annual

rental value is 5 per cent in the City against 8 per cent (including scavenging tax of 2 per cent) in the Cantonment, and the second, that the percentage of collection of the demand in the latter is much greater than in the City The greater income in the Cantonment is also due to the fact that rents there are generally higher than in the City because of the existence of a pretty large European population

Taking the cost of collection of Octroi at 13,000 the net revenue from Octroi in the City will be approximately Rs 64,000 To provide for this income the house tax will have to be raised by about 150 per cent The present rate of house tax levied is 5 per cent, and the legal maximum is 6 per cent This legal maximum will have to be enhanced to 12 or 13 per cent, if all the income from Octroi should be obtained from house-tax alone This is an extremely high rate and considering the very strong popular objections to any direct tax, and to house tax in particular, and that the highest rate in British Provinces is only 10 per cent, it seems impracticable to raise house tax to such a pitch

A ten per cent rate on holdings together with suitable enhancements in water and lighting rates should be sufficient

As already stated the present rate in the Civil and Military Station, where rents are generally much higher than in the City, is only 6 per cent, or including the scavenging tax, which is merged in the former, 8 per cent Some desirable change in this connection seems however possible According to the Chief Commissioner's Notification dated 27th September 1879 the maximum of $7\frac{1}{2}$ per cent of annual rental value was fixed and in many provinces in British India this is the prevailing rate With some appreciable increase in the rental value of houses in recent years owners and occupiers of holding should not rightly object to this small enhancement, as the Municipality is otherwise unable to meet the several growing needs Then again according to the old Municipal Regulation exemption was granted to mud houses and thatched huts whose annual value is less than Rs 14 and it seems that this exemption is now continued If this exemption is removed it is possible that there will be some increase to the revenue But the tax which in many cases would be so little as 8 annas or 4 annas would, it is apprehended, fall very heavily on those who are extremely poor and who are perhaps a floating population, and it may consequently be very difficult to collect the same As it is, the collection of house tax now is very unsatisfactory, owing to the large amount of arrears outstanding and no useful purpose is served by increasing the annual demand if it is not possible to collect a large portion of it

A tax on owners of holdings cannot be on a floating population

No system of taxation should be devised on the assumption of hopelessly incompetent collection We should proceed on the supposition that collection will be made as in other places

It will be seen that when the Octroi was proposed to be abolised in 1886 in the Civil and Military Station a proposal was made to raise the house tax by 50 per cent but it fell through Assuming of course that it can be conveniently raised in the City now, the possible increase of revenue may be only about 20,000 How it is possible to make up for the large deficiency of another 44 000 is not very clear In discussing possible substitutes for Octroi, the Municipal Taxation Committee in United Provinces came to the conclusion that for growing Municipalities house tax cannot be looked upon as a general substitute for Octroi but only as a second string of the financial bow They observed that, in regard to house tax, assessment was a difficult matter in countries where it is the custom to own rather than to rent dwelling houses and that it cannot be looked upon as an index in India to the occupiers' ability to pay, because of the absence of custom of change of

This committe had perhaps no experience of provinces where hundreds of Municipalities large and small are run with rate on holdings as the mainstay

The falling off in the income from house-tax is apparently due to some extent to the rapid demolition of houses owing to the scheme of City improvement but it seems hopeless to expect to raise the Octroi income from enhancing the house tax

I do not see why it should If the eo le of the y are paying in shope they can surely pay in another The revenue derived from outsiders who use the City markets and shops can he realized as market dues and trade taxes

11 In the Mofussil Municipalities the case may not, it seems, present so insuperable difficulties

House tax in these places is levied not on annual rental but at a percentage on the valuation of houses Hence one of the strong objections to considering the house tax as the chief source of revenue is removed In the Chief Commissioner's Proceedings dated 27th September 1879, reviewing the system of Municipal taxation in Mysore it was observed that the minor Municipalities cannot hope to secure an adequate income except by means of a house tax, and if a house tax was levied, it seems scarcely desirable that they should resort to other sources of taxation such as Octroi *save to a limited extent*

Because assessment is made easier

There are now 85 minor Municipalities, excluding Sringeri, and Octroi is levied in all except 4 *viz*, T Narsipur, Talkad and Melkote in the Mysore District and Kumsi in the Shimoga District The revenue from Octroi was for 1908 09 about 1,24,000 out of a total of 3,36,000 of which 1,16,000 was contributed by house tax If then Octroi be totally abolished, the revenue from house tax will have to be practically doubled The rates at present in force are as follows —

		Rs	a	p
Houses under Rs 50	in value	0	8	0
from 50 to 150		1	0	0
150 250		1	8	0
250 , 400		2	0	0
400 600		3	0	0
600 800		4	0	0
800 1,000		5	0	0

Above 1,000, $\frac{1}{2}$ per cent on valuation up to 2,000 and thereafter at $\frac{1}{4}$ per cent on excess over 2,000, fractions of a rupee being omitted

According to the new Municipal Regulation the calculation is simple resulting of course in some loss of revenue, 8 annas for every 100 rupees or portion thereof upto 2,000, with 4 annas for every 100 or portion of 100 on the balance in excess of 2,000

Thus an annual tax of Rs 5 is recovered on a house worth Rs 1,000 In Bangalore or Mysore a house whose market value is 1,000 may, on the average, be considered to fetch an annual rental of Rs 100 and with this assumption the amount of house tax recovered in the Cities agrees closely with that obtained in the minor Municipalities Considering that there is a number of other taxes paid in the City Municipality by the residents there (of course with the corresponding advantage of enjoying certain conveniences) and that besides Octroi, house tax and Mohatarfa are the only taxes in the minor Municipalities, it is not unreasonable to expect that the owners and occupiers of holdings there should contribute materially to the Municipal exchequer as it is they alone who enjoy most of the advantages of Municipal Administration Whether it is practicable to enhance the maximum rate to 12 annas per Rs 100 i e by 50 per cent and to diminish the reduced rate for that portion of the market value which exceeds Rs 2,000 are points that require careful consideration Assuming that houses are not usually given out for rent there is no reason why an owner who owns 2 houses valued at say Rs 2,000 each should be

Why the richer people should pay less than the proportionate amount is not clear The sliding scales e g in British Indian in come tax are generally top heav and not light at the top

called upon to contribute more than one who owns only one of 4,000 rupees value In effecting improvements to dwelling houses in minor Municipalities the amount of assessment he will have to pay will not, it seems, enter the mind of an owner in the generality of cases, and no apprehension need therefore be entertained of the unproductivity of a uniform rate

Even if any enhancement in the rate of house tax be considered undesirable there is reason to believe that Octroi may in all or most of the Minor Municipalities with advantage be limited to only one article *viz*, cloth, duty on which is most productive, if the revenue that is lost by the total abolition is considered very large and not possible to recoup otherwise As stated above, the chief sources of taxation in Minor Municipalities are —

Octroi, House tax, Mohatarfa *i e*, tax on carts, shops and oil mills The first contributes about 37 per cent, the 2nd 34, and the last with other miscellaneous sources the remainder

Of the 1¼ lakhs realised from Octroi it will be seen that about 68 000 is levied on cloth alone, about 32,000 is recovered on articles of food and drink and the balance on tobacco, sheep etc —

Octroi on cloth is levied in all the 81 Municipalities where that system of taxation prevails, while in 24 of them Octroi is levied on that article alone and none else These latter obtain a revenue of about 16,000 with no special establishment for the collection of the Octroi except in Tumkur and Kumbal The duty is collected it seems, by the establishment charged with the duty of collecting House tax and Mohatarfa on payment of commission The cost of collection on octroi in the mofussil Municipalities ranges from 10 per cent and 11 per cent in Hassan and Kadur to about 22 per cent in Tumkur Wherever special establishments are maintained, the cost of collection has been abnormally high generally

Though the idea of abandoning a net revenue of over a lakh from Octroi with the doubtful idea of recovering a portion of it by means of raising the House tax seems therefore out of the question at present it is certainly worth while to take a cautious step in this direction by limiting octroi to the most productive article viz cloth This is not a novel experiment for in 24 of the Minor Municipalities this is the only dutiable article In such a large town as Kumbal no duty is levied on any other article The cost of establishment there is no doubt high being about 15 or 16 per cent but it is much less than the percentage for the whole district which is 22 per cent If as above suggested the duty be confined to cloth with exemption of passengers luggage travelling by railway much of the annoyance and trouble complained of by the public will be removed There is also reason to suppose that the cost of establishment will not be so high as it is at present and that it is possible to effect a saving of at least a third of the cost With this assumption the net revenue that will have to be abandoned will be somewhat less than Rs 50,000 Even if this revenue cannot be recovered in other ways, the saving of expense and worry to the public by the abolition of the duty on such articles as sugar, ghee etc, is so great that the loss to the Municipal revenues is more than compensated

This may give rise to extensive smuggling

The deficiency can, it seems, be attempted to be made good 1st by imposing a license fee on the sale of such articles as tobacco betel leaves, and animals for slaughter and secondly by the imposition of tolls No material objection can be raised to the former mode of collection except that it may be unproductive in places where a special and costly establishment will perhaps have to be maintained there for Tolls are levied in the Cantonment and the two city Municipalities and in the following minor Municipalities as well, *viz* Tumkur, Shimoga, Shikarpur Davangere Harihar, Nanjangud and Seringapatam Curiously enough three of these Minor Municipalities *viz* Tumkur, Davangere, and Harihar, are those in which Octroi is

A proper adjustment of these and such other taxes together with enhanced house rate may enable us to do away with Octroi altogether

I am not for tolls

levied on cloth alone, a combination that is suggested for all of them in this note There seems to be no doubt of the fact, that tolls have been and will form a productive source of revenue It is becoming more and more popular as one of the easiest ways of raising Municipal revenue Tolls cannot however be as productive as Octroi and the late Mr Sheshadri Iyer rejected the idea on this score, as tolls can on principle be levied only on the various roads leading to the Municipal limits and not on vehicles etc, coming by the Railway

Besides tolls lend to leakage to a great extent

Retaining as we do Octroi on cloth, which can be collected with the least inconvenience to the public and which contributes a material portion of the total Octroi revenue to the Municipality Tolls on vehicles and animals, may be expected to make up for the deficiency in all the Municipalities where it has not already been levied

Toll is a form of taxation which in some respects is certainly superior to Octroi The inconvenience and worry to the public or trade is comparatively little The tax is clearly defined being so much on a laden or empty cart or animal, the passenger has not to wait for weighment at the barrier or to go all the way to the ~~Octr~~ Octroi Office The passenger is not subject to the annoying examination of the Octroi official The mode of collection is also simple The system of farming has been very successful here unlike the case of Octroi and opportunities for fraud and peculation on the part of the Municipal staff are to some extent obviated The system of farming the collection of Octroi duties was condemned by the Government of India and ceased to be adopted in Mysore from 1877 But it is a matter of indifference to the public whether tolls are collected by Municipal agency or by contractors or their irresponsible agents

Yes only to some extent

In conclusion, Octroi though a very objectionable form of tax cannot in the present state of Municipal finances be abolished in the City Municipality of Bangalore and Mysore, without some suitable substitute being devised nor can the present rates of House-tax be so enhanced as to recoup even one half of the Octroi revenue In the minor Municipalities it can as a first step be limited to cloth, and the inconvenience and the annoyance to the public, minimised, the revenue that will be abandoned being obtained if possible by slightly raising house tax, or by levying license fees on sale of such articles of luxury as tobacco, animals for slaughter etc If the revenue lost cannot be raised in either of these two ways, recourse must be had to tolls which in most Municipalities may be expected to yield as much as the octroi if not more

I do not see why it should be so when there are entire provinces with hosts of Municipalities from the largest to the smallest which can do without anything like Octroi

18 1-1910

B SREENIVASA IYENGAR

Letter

No 9611 8 , *dated 20th May* 1911, *to the Deputy Commissioners of Districts*

Serial No 2

I am directed to say that it has been suggested for the consideration of Government that it would be desirable to abolish Octroi in Municipalities in the State having regard to the inherent defects of that system of taxation, the chief of which are the following —

(i) it allows leakage of revenue

(ii) it allows facilities to Municipal employees for peculation and oppression

(iii) it hampers the free course of trade, and

(iv) it causes inconvenience loss, expense and delay to the trader wherever he comes in contact with the Octroi Department As Octroi is an important item of revenue in several Municipalities, its entire abolition at once may create serious financial embarassment to the Municipalities concerned The loss of revenue will have to be recouped by an increase of the taxes on buildings and of the Mohatarfa taxes, but any sudden increase of taxation might be unpopular and might also press hard on one section of the people

2 What is therefore suggested as a guide to practical action is that while the entire abolition of Octroi should be kept in view as an object to be attained gradually and incourse of time steps should be taken in the immediate future to abolish octroi in the smaller Municipalities, where the Octroi receipts are very low, and that in other places, the number of articles on which Octroi is levied shoud be gradually reduced A list of Municipalities in your district where abolition can it is thought, be effected without serious inconvenience, is appended for information A slight increase in the house and Mohatarfa taxes in these places would probably make up for the loss and put these Municipalities on a safe working basis I am therefore to request you to be good enough to express your opinion on the question and also to state,—

I The places where Octroi may be abolished wholly,

II The places where the number of articles taxed may be reduced and the articles the Octroi on which may be abolished

III In both the above cases, whether it is necessary to raise the other taxes, rates and rents and if so, to what extent or what other new tax, if any should be imposed

3 I am to request that your reply may be kindly furnished not later than one month from the date of this letter

C S BALASUNDARAM IYER,
Offg Secy to Govt, Gen & Rev Depts

Letter No 522, Dated Chitaldrug 24th June 1911 from K Chandu, Esq B A, Deputy Commissioner's Chitaldrug District to C S Balasundaram Iyer, Esq B A Offg Secretary to the Government of His Highness the Maharaja of Mysore, General and Revenue Departments, Bangalore

Serial No 3

Adverting to your letter No 9611 8 -MI 148 10 2 dated 20th May 1911, calling for an expression of opinion on the desirability or otherwise of the abolition of Octroi duty as a source of revenue and the practicability of its being replaced by an increase under the head of Mohatarfa taxes I have the honor to state that the Octroi duty on cloth is levied in all the Municipalities and also on certain other sundry articles in the Municipalities of Chitaldrug, Challakere Hiriyur and Molakalmuru in this District The income from cloth alone is about Rs 11,000 while on other articles it is about Rs 3,000 thus making a total of Rs 14,000 annually It is true that there are undoubtedly many inherent defects in the collection of this tax as pointed out in the letter under reference but its entire abolition, all at once, on this score will bring in material financial loss to the several poor Municipalities in this District and I estimate the loss of about 10 per cent of its entire revenue It would not be possible to make up this substantial loss by the proposed increase of revenue in the Mohatarfa taxes because increase may be expected only from the house tax to a considerable extent as the number of shops and other heads of Mohatarfa which are not many, in small Municipalities does not

count in my opinion, for much towards the increase of revenue Moreover houses in minor municipalities except in Chitaldrug, Davangere and Harihar towns are generally of very inferior quality and cannot therefore be classed higher, merely for the purpose of enhancing the rate of taxation Even in the towns of Chitaldrug, Davangere and Harihar, the revenue expected from houses is not considerable or would not be as much as to make up the loss from the proposed abolition of Octroi

The only alternative is thus an income tax, which has disadvantages nearly as great as those of Octroi

If Government should decide on income tax, there can be no objection to abolishing Octroi Otherwise, a *Via media* will be to abolish Octroi on all articles except cloth and make up the difference by increase in Mohatarfa

Letter No 529 Dated 23rd June 1911, from M Shama Rao Esqr M A Offg Deputy Commissioner, Bangalore District, to C S Balasundaram Iyer, Esqr B A, Offg Secretary to the Government of His Highness the Maharaja of Mysore, General and Revenue Departments, Bangalore

With reference to your letter No 9611 8—M 1 148-10 dated 20th May 1911, regarding the gradual abolition of Octroi duties in the state, I have the honor to enclose a Statement showing on what articles such duties are being levied in the Municipalities of this District The dutiable articles comprise Cocoanuts, fresh and dry, betel leaves, kerosine oil, tobacco, sheep and goat slaughtered, and cloths the duty on cloths in the Pavagada Municipality was only Rupees 44 in 1909 10 and is the small lest amount realized as compared with the amounts realized on the same article in the other Municipalities In none of the other Municipalities is the income from this article less than a hundred rupees It is only in two Municipalities viz, Gubbi and Sira, that duty on Cocoanuts, fresh and dry, is levied and the amounts realized in the last Official year amounted only to Rupees 22 and Rupees 24 respectively I think that to begin with these duties in the three Municipalities namely [illegible] be ordered to be abolished I quite agree that Octroi duties are [illegible] trade and should be done away with as soon as we can find other unobjectionable substitutes If the Government approve of these suggestions proposals will [illegible] be submitted to make up the loss from other sources Similarly the duties levied in the other Municipalities will also be dealt with later on

Serial No 4

Not printed

Letter No 715, Dated Mysore 30th June 1911 from M Kantaraj Urs, Esqr B A Deputy Commissioner Mysore District, to C S Balasundaram Iyer Esqr B A, Offg Secretary to Government, General and Revenue Departments

With reference to your letter No 9611 8—M 1 148 10, dated 20th May 1911, calling for my opinion regarding the abolition of Octroi in Municipalities, I have the honor to state as follows —

Serial No 5

2 The Assistant Commissioners of this district were consulted in the matter and copies of the marginally noted communications received from them are herewith submitted for information of Government

Division	No	Date
Nanjangud	A	17 6 1911
Mysore	272	23 6 1911
French Rocks	979	20 6 1911
Malavalli	208	23 6 1911

3 The Assistant Commissioner of the French Rocks Sub Division is of opinion that Octroi may be altogether abolished in the Municipalities of Krishnarajpet and French Rocks, that it may be abolished on all articles except on piece goods in other Municipalities excepting Seringapatam and that the loss thus caused may be made up by raising the House tax and shop taxes by 25 per cent and 50 per cent respectively He recommends the retention of Octroi in the Seringapatam Municipality owing to its importance

4 The Assistant Commissioner of the Nanjangud Division supports the total abolition of octroi in all the Municipalit es without exception, substituting therefor a "general taxation of houses in towns and villages" alike He also speaks of the form a tion of market places and stalls and the levying of rent and taxes for occupying-shops, in place of Octroi

5 The Assistant Commissioner in temporary charge of the Malvalli Taluk is for the gradual abolition of Octroi and to compensate the loss by a special sanitary cess under section 59 (VI) and by a tax on profession under the same section of the Municipal Regulation

6 The Assistant Commissioner of the Mysore Division has fully discussed the question from an economic point of view He says that the abolition of Octroi in the Municipalities and particularly in Heggddevankote and Periapatam will hasten their deterioration, that an increase in the house tax will only shift the burden of taxation from one person to another and that an improvement in the collection of Octroi can be effected by awarding deterrent punishments to smugglers, etc, by employing adequate supervision for the purpose and by encouraging *Informers* by giving them rewards On the whole he is for retaining the present system of octroi in all the Municipalities

7 The arguments offered by Mr Heblikar seem to be sound and stand to reason and I quite agree with him The formation of Municipalities at Taluk Head Quarters and other impo tant places is intended for the improvement of those places in respect of sanitation and public works such as roads, water works, etc The abolition of Octroi without a less objectionable and more convenient substitute will greatly affect the carrying out of these works and it may not be possible to debit all these costs to state Funds The imposition of taxes and public expenditure being co ordinate with their objects, the levy of Octroi, is very necessary The present system of taxing the consumable articles is in accordance with the main principles of taxation enunciated by Economists The Octroi is a "certain" and not an "arbitrary" tax The duties now levied on certain necessaries of life are fixed on quantity of articles brought into Municipalities and dealers in them know exactly how much they have to pay The Octroi would be objectionable if the rate is unknown and if it is imposed according to the quality of the article

8 The Octroi is only an indirect tax upon the consumer and it allows him to pay it at a most convenient hour i e, at the time of purchasing articles and there is thus *minimum hardship* to the tax payer in its payment as he is "insensible" to its levy The levy of octroi is no protective duty and as such does not seem to hamper free trade and as it is imposed merely for purposes of Revenue there is nothing objectionable in it

9 This kind of indirect taxation has been generally approved by economists on the ground that it is levied on such articles of general consumption as are most easily reached inasmuch as the burden of taxation is distributed over the whole body of population The following quotation may be interesting as how octroi is diffused —"That a tax laid in any place is like a pebble falling into and making a circle in a lake till one circle produces and gives motion to another and the whole circumference is agitated from the centre"

10 It has been suggested in your letter under reply that the loss caused by the abolition of octroi may be made good by a rise in house tax The house tax is a direct taxation and may check the building of houses just as the importation of tea or other stimulant is diminished by imposing a tax on it and this kind of tax is objected to on the ground that it will discourage a most beneficial form of expendi t e *vis* in building houses The present rate of house tax prevailing in the several unicipalities is already sufficiently high and the owning of houses is not a paying concern to the owners as well pointed out by Mr Heblikar It is also argued that it seems desirable that the dwellings of the poorer classes should be exempted from all

taxes in order to secure better housing of the poor The substitution of income tax or anything like it will be really a much greater hardship to poor and middle classes of people than the "Octroi" can be and the amount of trouble and expenditure required to find out the actual income of peoples who have no fixed income have to be taken into consideration while thinking of replacing the "Octroi" by such a tax

11 I therefore beg to conclude that (1) octroi need not be abolished either wholly or partially in any of the Municipalities of this district as they can ill-afford to lose it under their present circumstances (2) that the present number of articles which pay octroi may remain as it is, and it may even be desirable that some more articles should be added to the list to increase the revenue under this head and (3) that under the present condition it does not appear feasible to raise the other taxes such as house tax or shop tax which are already complained of as heavy All the Taluk Head quarters are at present Municipalities and that they should be deprived of lighting conservancy and useful public works by the abolition of octroi is really a matter for serious consideration

12 The Octroi system is no doubt as pointed out by Government not working well and owing to inefficient and insufficient supervision there is considerable leakage of revenue besides other defects mentioned in your letter under reply I am of opinion that with a better checking of the octroi collection by employing proper and responsible staff for the purpose, by rigidly enforcing the rules in the case of smugglers and infringers of octroi rules and by offering rewards to informers as in the Excise Department the octroi may be placed on a more satisfactory and substantial footing The Municipal Councillors will prove a useful agency in supervising the collection work if they can be made to feel their responsibility in the matter The evils that are associated with octroi can well be remedied by fiscal improvements and in many Continental Countries it is still retained as an important part of the tax system The octroi is an indirect tax while house or shop tax is a direct one, and both these are considered necessary, as the one remedies the defects of the other

Enclosure

Letter No A of the 17th June 1911, from the Sub Division Officer of Nanjangud to the Deputy Commissioner, Mysore

With reference to your memo No 154 of the 30th May 1911 and reminder No 155 of the 6th instant about the abolition of Octroi duty in Municipalities in the state, I have the honour to submit as follows —

2 It is true that this taxation hampers the free course of trade and it causes frequent inconveniences to people trading in dutiable articles, over and above all it allows facilities for oppression and leakage of revenue This matter was seriously considered in 1879 and Government order was passed restricting the imposition of taxation on certain specified articles That circular is in force for the past 32 years and not much good to people or appreciable rise in revenue has accrued considering the trade prosperities around our province we must consider that time has come for doing away with this obnoxious taxation and free the people from the oppression of petty officials in whose hands they are suffering

3 The raising of taxes on buildings and mohatarfa taxes may not bring the desired effect The general taxation of houses in towns and Villages without exemption should be organized and a schedule of rates framed The whole of the funds should be administered by a Committee and allotments made according to exigencies as is done in the case of Local Funds If this method is resorted to the aims of the Sanitary Department will have been accomplished and out of the funds to be placed at their disposal the conservancy and Sanitation of important Villages inclusive of Taluk Head Quarters can be undertaken and mofussil habitation improved upon Sanitary principles Shop tax and ground rents may be slightly increased, *i e*, to one and half the rate at present obtaining

4 In the Government order under reply Bannur is mentioned and I submit that Octroi in that Municipality may, with advantage, be abolished at once While the measure will conduce to the welfare of people who bring dutiable articles for sale, it will not cause serious loss of revenue as the income per shandy there is not more than 4 or 5 rupees at the most In all the Taluk and minor Municipalities Octroi may be abolished at once and in District Head quarter towns and cities the abolition may be brought into effect gradually *i e*, after the introduction of the general house tax system in the moffusil

5 The formation of market places and stalls and levying of the ground rent and taxes for occupancy of shops will greatly swell the income This is perceptible in the case of Kolar Gold Fields, Marahalli Terakanambi, Kolar, Chintamani, etc

Letter No 979, dated 20th June 1911, from N Subba Rao, Esq, Sub Division officer, French-Rocks, to the Deputy Commissioner, Mysore District.

Reference —

Your circular Memo No 154, dated 31st May 1911, regarding the abolition of Octroi in Municipalities and calling for opinion on certain points —

I have the honor to state that it is most desirable to do away as early as possible with the Octroi duty in municipalities since it has a demoralising effect The suggestion to abolish it altogether in the municipalities of Krishnarajpete and French Rocks is acceptable as the annual income under this head in the municipalities is comparatively small, *viz*, Rs 545 and Rs 400, respectively as per budget figures of the current year, the loss accruing from this abolition in these municipalities can be conveniently made good to a great extent by raising the house tax by 25 per cent and shop tax by 50 per cent under all classes This enhancement is not likely to be felt as it will not increase the individual rates to any appreciable extent Taking the figures of the current year's budget for these municipalities the result of the proposed increase of the house and shop taxes will be as follows —

Name of Municipality	As per sanctioned budget for the current year			Increase proposed				Difference
	House tax	Shop tax	Total	House tax at 25 per cent	Shop tax at 50 per cent	Total	[illegible]	[illegible]
Krishnarajpete	600	300	900	150	150	300	45	[illegible]
French Rocks	600	600	1 200	150	300	450	[illegible]	50

This division has at present the marginally noted municipalities The abolition of octroi on all articles except on piece goods and the enhancement of the mohatarfa taxes on the lines indicated above can conveniently be made applicable to all the municipalities except that of Seringapatam The financial effect of the above proposal will be as detailed below —

1 Seringapatam
2 French Rocks
3 Mandya
4 Maddur
5 Krishnarajpet
6 Nagamangala
7 Melkote

Name of Municipality	As per sanctioned budget of the current year			Increase proposed				Difference
	House tax	Shop tax	Total	House tax at 25 per cent	Shop tax at 50 per cent	Total	[illegible]	[illegible]
Mandya	--	475	475		237½	237½	184	[illegible]
Nagamangala	600	400	1 000	150	200	350	415	[illegible]

On the other hand in the case of Seringapatam which is a major municipality the octroi income on all the articles being large and the town being one of great importance the crippling of municipal income in any way will no doubt affect it seriously Even the existing income is found quite inadequate to meet all its requirements I therefore consider it inadvisable either to reduce taxes on articles or to reduce their number If the octroi is to be abolished without affecting the municipal revenue there will arise an ~~unadvisable~~ necessity both to enhance the moha tarfa taxes as mentioned above and to introduce a scheme for the levy of income-tax on the lines in force in the municipality of Madras

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Letter No 272, dated Mysore, 23rd June 1911, from G B Hebbar, Esq B A LL B *Assistant Commissioner, Mysore Sub Division, to M Kantharaj Urs, Esq*, B A *Deputy Commissioner*

With reference to your circular Memo No 154 without date regarding the abolition of octroi duties in certain Municipalities, I have the honor to submit for your information the resolution of the Heggaddevankote Municipality on the subject and the report of the Amildar of Hunsur The Amildar of Heggaddevankote convened a meeting of the Municipal Board to discuss the matter even though the communication to him was marked confidential now that the Municipal Board has expressed its opinion, it may as well be taken into consideration in discussing the subject The Board is of opinion that the Octroi duties should not be abolished The Amildar of Hunsur thinks that the Periyapatna Municipality can afford to forgo its octroi revenue From this view I strongly dissent with its absence of drains, bad roads and numerous vacant house sites choked up with lantana and teeming with pools of stagnant water the town of Periyapatna cannot afford to lose a fourth of its annual revenue An increase in the house tax in both the towns will work hardly on house owners Both the towns are fast decaying Such an increase will merely hasten them on their downward career. The abolition of the octroi and an increase in the house tax will merely shift the burden of taxation from the consumers of commodities subject to octroi duties to house owners, *i e*, from one class of persons to another This change would not matter if the house owners are in a position to indemnify themselves at the expense of the consumers, of the dutiable commodities It is a well known fact that houses in these towns fetch no rent The majority of the population of Heggaddevankote consists of officials and their dependents who in most cases pay practically no rent House owners who are away give out their houses on condition that they are kept in repairs Many owners of houses in Heggaddevankote and Periyapatna pay house tax on them in view of the possibility of their finding tenants until the houses are required by them As those houses are mostly shanties possibly the owners would rather abandon them than pay an enhanced house tax I shall discuss this question with reference to Budget Estimates of Heggaddevankote Municipality for the year 1909 10 It will be seen that the receipts from Octroi duties are estimated at Rs 271 and those from Mohatarfa taxes at Rs 389 The other items of revenue are variable and cannot be depended upon except realizations from cattle pounds which are estimated at Rs 150 As the cattle pound fees are fixed for the whole state they cannot be enhanced in particular localities without giving rise to loud murmurs To make good the loss ~~sustained~~ on the abolition of octroi duties the mohatarfa taxes will have to be increased by 70 per cent, such an increase in house tax in the Mohatarfa will vitabl tend to disa ea ce of a large number of houses in a short time which may u tima e y ring down the realizations from Mohatarfa taxes to their present level The case of Periyapatna is in all four with that of Heggaddevankote Taxes on consumabl commodities have been resorted to mainly on the ground of their convenience, ~~having~~ been found possible by means of such taxes to raise a considerable re~~venue~~, the payment of which by consumers are made in insensible portions ~~where~~ it would have been impossible to collect the same amount by direct

taxation at comparatively long intervals It has been urged in favour of this system of taxation that it may be assessed so as to leave no doubt concerning what ou ht to be aid and ontesquieu says in favour of taxes on commodities that they re e t e east y the people because no formal demand is made for them They can be so wisely contrived that the people shall scarcely know that they pay them It is also asserted and asserted with truth that the system has the merit of avoiding the worst inequalities which taxation proportioned to income would cause Since it enables those persons whose needs are greatest to diminish their share of taxation by abstinence from customary luxuries

2 House tax is a "direct tax" and is therefore demanded from and paid by the very persons who it is intended and desired should pay it The abolition of the octroi and an increase in the house-tax would therefore be shifting the burden of taxation from one class of persons to another This experiment has been tried in some Municipalities in Europe "The economic results of this reform" Says Palgrave" in the town which have carried it out are not easy to analyse, they are in all cases indecisive The consumer does not appear to have derived as great an advantage as might have been expected through the diminution of the price of the goods consumed It is mainly the middle men who have profited by it On the other hand the owners of houses in towns have greatly suffered"

3 The chief inherent defects of the present system of octroi taxation are said to be the following

1 That it allows leakage of revenue

2 That it allows facilities to Municipal employees for speculation and oppression

3 That it hampers the free course of trade and that

4 It causes inconvenience, loss, expense and delay to the trader whenever he comes in contact with the Octroi Department

In other words the main defects of the existing system lie in its tendency to hamper the free course of trade and in inefficient or insufficient supervision of the staff entrusted with the collection work It cannot be urged with any show of reason that octroi hampers "free course of trade" in as much as at present it is levied on goods actually consumed within the Municipal limits in which it is levied Carts laden with dutiable goods pass through the Municipal limits without paying any octroi duties They pay an uniform tax of one anna (Baramarga) which is primarily intended for the upkeep of the roads and is levied irrespective of the value, quality and quantity of the goods carried In these circumstances it cannot be said that the levy of octroi duties hampers the free course of trade It is only when traders try to break bulk on the sly within the Municipal limits that they get into trouble

4 It cannot be denied that there is much room for improvement in the existing octroi staff I am afraid improvement is not possible until a better paid staff is employed Unfortunately the Municipalities cannot provide more funds for the purpose This inability of the Municipalities results in leakage of revenue But it is certainly possible to remedy this evil by (1) enjoining stricter supervision (2) providing more deterrent punishments in cases of infringements of octroi laws, and (3) giving pecuniary awards to informers in successful prosecutions

5 Some of the objections to the principal of octroi duties are unquestionably valid But it would be a very orduous reform to carry out under the existing conditions It [redacted] well high impossible to discover an appropriate substitute To use Prof [redacted]er's dictum "its Maintenance constitutes the financially least objectionable a[redacted]tively even the best system"

Letter No 208 of the 24th June 1911, from the Assistant Commissioner, in charge of Malvally Taluk, to the Deputy Commissioner, Mysore District.

With reference to your circular No 154, dated regarding the abolition of octroi, etc.

1 I have the honor to report that the reasons noted by the Secretary fully justify the gradual abolition of octroi in the State, and that as it has been abolished in the Municipalities of the adjoining British Provinces, the way for abolition cannot be difficult here.

2 As for the Malvalli Municipality it is not possible to totally abolish Octroi at once as revenue from Octroi amounted to Rs 1740 as against Rs 2,486 from other sources in 1909-10

3 From the marginal list of dutiable articles it will be found that the poorer classes are not likely to feel the weight of the duties on any of them except those on jaggery, oil, kerosine oil, and cloth (illegible)

		R. a p.			R. a p.
1.	Dry cocoanut per maund	0 2 0	6.	Jaggery per maund	0 2 0
2.	Cocoanuts per 100	0 2 4	7	Oil do	0 2 0
3.	Betel leaves per 100	0 0 2	8.	Butter per seer	0 0 2
4.	Ghee per maund	0 3 0	9.	Kerosine oil per tin	0 2 0
5.	Tobacco do	1 0 0	10.	Cloth (illegible) per 100 Rs. worth	1 0 0

4. Therefore I would suggest that one of these articles be freed from duty every year, so that the strain on the finances of the Municipality may not be very much all at once

5 I find from a reference to the accounts, so far as I can classify them, that the income from Octroi almost equals the expenditure for its collection, and the Conservancy Establishment charges and wages for watching the drinking water reservoirs.

	Rs.
Octroi collections	1,740
Octroi Manager	6
14 sweepers at Rs. 6 each	84
2 Cartsmen at 6 each	12
1 Watch man on Rs. 7	7
1 do on Rs. 6	6
Total, per mensem	117
Per annum Rs.	1,404

6 Therefore the proper way to compensate the loss from octroi will be to levy a special Sanitary cess as contemplated in Section 59 (vi) of the Municipal Regulation But that cess will have to be a very large one if all Rs 1470 has to be met from it alone and therefore a small Sanitary cess may have to be levied and the balance supplemented by a tax on professions as provided for in Section 59 (x) of the Municipal Regulation and as in vogue in the British Municipalities

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Letter No 24, dated Chikmagalur, the 17th July 1911, from K. R. Srinivasaiengar Esq., M A., Deputy Commissioner, Kadur District, to C S Balasundaram Iyer, Esq., B A., Officiating Secretary, to the Government of His Highness the Maharaja of Mysore, General and Revenue Departments, Bangalore.

With reference to your letter No. 9611-8—Ml. 143-10, dated 20th May 1911, calling for my opinion regarding the abolition of Octroi taxation in Municipalities, I have the honor to report as follows:— Serial No. 6

The Chief arguments for and against the abolition of octroi have been so briefly and tersely given in the opening para of your letter under advertence that there cannot be much to add to them A reference to Chief Commissioner's order No 3362-73—Ml 161, dated 27th September 1872, published on page 167 of the old

Revenue Manual shows that the objections to the levy of octroi were then fully considered and that after mature consideration, it was decided to retain the levy of the duty on some of the articles as an unavoidable evil Para 31 of the Proceedings shows that the Government recognized that the levy of the octroi duties would open a wide door to smuggling and fraud, but it was nevertheless hoped that the Municipal Commitees would "be able by their personal attention to ensure the necessary safeguards against smuggling and at the same time, consult the convenience and comforts of the inhabitants" How far the hopes of the Government have been realized is a matter worth considering No one will deny that there has been a certain amount of leakage of revenue as also of peculation and oppression on the part of the Municipal employees But speaking from my experience, I think that neither the leakage of revenue nor the peculation and oppression by the subordinates nor the hinderance to trade and the inconvenience and loss to the trader has been such as to give rise to serious complaints from any quarter Nevertheless considering the objections raised to the levy of the duty, I should heartily welcome its abolition provided it can be replaced by any other fresh tax or source of revenue which, while being free from the evils attending the octroi, would not result in financial loss to the Municipalities concerned

2 A reference to the appended *statement showing the receipts of each of the Municipalities in the District under the chief heads of revenue will show that the octroi receipts form one of the most important sources of income in every Municipality In the District Head-quarter Municipality of Chikmagalur, the octroi revenue amounts to about Rs 13,000 per year forming over 50% of the total income of the Municipality At Tarikere, octroi contributes Rs 4,143 or about 40% of the total income of the municipality The percentage of octroi to the total receipts in the other Municipalities, *i e*, of Mudgere, Kadur, Koppa, Yedahalli and Birur amounts to 45, 41, 26, 21, and 16 respectively In these circumstances, I think it will be no easy matter to replace octroi in the above Municipalities immediately by any other tax which will not be considered oppressive by the residents The octroi duty being an indirect form of taxation, has this advantage over other direct forms of taxation that it is almost invisible in its effects, tending only slightly, I may say almost imappreciably to raise the value of the few commodities on which it is levied and that it it not therefore felt in the same way as any other direct tax which immediately touches the pockets of the tax payers Moreover, the duty being levied, as it ought to be, only on articles of luxury, it does not press heavily on the poorer classes as any other system of uniform taxation might do If the octroi is to be abolished in the minor Municipalities which are not governed by the Municipal Regulation of 1906, the income now derived from this source will have to be obtained only by means of an increase of house tax This has probably reached the maximum prescribed in the rules in most of the minor Municipalities and may not be capable of enhancement The shop tax, cart-tax, oil mill tax are all now recovered at definite rates prescribed by Government which are not capable of being increased at the discretion of these Municipalities, and there are, so far as I know, no rules prescribing fresh sources of taxation or revenue which may be resorted to in the smaller Municipalities Thus in the absence of a special regulation authorizing the imposition and recovery of fresh taxes in the minor Municipalities, I think it is not possible to dispense with octroi and replace it with advantage by any other source of income With regard to the Regulation Municipalities, of which there are only two in this district, Chikmagalur and Tarikere, Section 59 of the Municipal Regulation of 1906 gives a list of the taxes that may be imposed on them Toll forms a most important item in the list of the levy of which, if sanctioned by Government, may be expected to yield a substantial revenue But the Government have not been in favour of the levy of tolls in the Municipalities *vide* Government Order No 9671—Ml 454 08 7, dated 23rd May 1911, declining to sanction the recommendation of the Chikmagalur Municipality

*Not printed

or the levy of toll) The other sources of taxation mentioned in Section 59 are not of much importance and some of them, such as the income tax, are open to the same objections as the octroi owing to the harassment, annoyance, etc , to which they might subject respectable men For the above reasons, I am of opinion that, for the present, it is not practicable, especially in the minor Municipalities, to abolish the octroi and replace it by any other source of revenue At the same time, I think it is possible to cut down the list of articles subjected to octroi in each Municipality by removing from the list such of them as do not yield an appreciable revenue

3 In para 2 of your letter, Yedahalli has been suggested as one of the places re octroi may be abolished In this Municipality, octroi constitutes, as I have ted above, 21% of the total Municipal receipts and I think that considering the needs of the place and the small annual income, it cannot afford to lose the above amount unless it can make it up by a revision of the house tax It is impossible for me to say now how far a revision of the house-tax will result in an increase of re venue A regular house valuation and revision of the house-tax will be made to find out how far this item of revenue can be enhanced Meanwhile, the octroi may be allowed to stand, but the list of dutiable articles in the Municipality may be curtailed by removing *jaggory, oil* and *tobacco* therefrom as these contribute only Rs 40 per year This will leave only piece-goods and betel leaves bringing in an income of about Rs 210

As regards the other Municipalities, the following articles may be exempted from duty in each of them —

	Present annual income
1 Chikmagalur	
(I) Dry cocoanuts	85
(II) Butter	15
(III) Bullocks and cows	40
Total	140
2 Tarikere	
(I) Dry cocoanuts	95
(II) Ghee	64
(III) Butter	3
Total	162
3 Birur	
(I) Cocoanuts fresh and dry	12
(II) Sugar	20
(III) Ghee	35
(IV) Sheep and goats	40
Total	107
4 Kadur	
(I) Cocoanuts	18
(II) Ghee	30
(III) Sheep and goats	6
Total	54

In the Mudgere and Koppa Municipalities, the list of dutiable articles does not admit of curtailment as piece-goods form the only article on which octroi is now being recovered in these Municipalities

Abolition or modification of Octroi taxation in the Municipalities of the State

Letter No 45, dated 19th July 1911, from C Srikanteswara Iyer, Esq, B A, B L Deputy Commissioner, Kolar District to C S Balasundaram Iyer, Esq, B A, offg Secretary to the Government of His Highness the Maharaja of Mysore, General and Revenue Departments, Bangalore

Serial No 7

Adverting to your letter No 9611 8—Ml 148 10 2 calling for my opinion on the abolition of Octroi taxation in certain Municipalities of the District, I have the honour to forward herewith two *statements, one showing the average receipts from Octroi for the past three years in the five Municipalities referred to in the letter, and the other, the average income from the several dutiable articles in all the eleven Municipal Towns of the District Except in the marginally noted Municipalities the imposition of duty is confined only to piece goods and cloth

*Not printed

Kolar
Chikballapur
Sidlaghatta
Chintamani
Goribidnur

2 Of the five Municipalities named in the letter under reply, where abolition of Octroi taxation may be effected, the Town of Mulbagal has been recently * constituted into a permanent Municipality under the new Municipal Regulation VII of 1906 and the average income from Octroi levied only on piece goods amounts to Rs 404 a year, which is no doubt a decent revenue to the Municipality to meet a portion of the charges therein As such the abolition of Octroi duty on the only dutiable article in this town may be prejudicial to the finance of the Municipality The Financial condition of this Municipal Board is already at a low ebb requiring early attention for improving the same, as observed by Government in their order No 2633-9—Ml 95-10 4, dated the 15th September 1910 and it is therefore under contemplation to revise the house and mohatarfa Taxes, wherein, however much cannot be expected, and to find other sources of revenue to place the council's income on a firm basis so as to be able to meet the numerous pressing sanitary and other improvements in the Town and to alleviate its long felt need for water supply to the extent feasible It is therefore not quite practicable to do away with the Octroi on piece goods in this Municipality

*Government Proceedings No 8750 Ml 59 10 14 dated 28 4 1911

3 As regards the remaining four Towns, viz, Srinivaspur Bagepalli Gudibanda and Malur, the average Octroi realizations are, as detailed in Statement I, enclosed Though they are comparatively small for consideration as a source of income, they are yet not altogether so insignificant for such small Municipalities as can be done away with without inconvenience or appreciable drop in their own already slender resources, and would therefore have to be kept on, for the same reasons as far Mulbagal, till the revision of house and mohatarfa Taxes in due course can warrant the abolition of this source of income

4 Goribidnur is also a small Town without any encouraging Octroi Revenue excepting from piece goods and betel leaves, the average income from the other dutiable articles specified in the margin * being so poor and insignificant that they do not deserve to be subjected to duty, which may therefore be abolished without inconvenience or appreciable loss to the Municipality

	Average income
Fresh cocoanuts	21
Dry "	4
Sugar	9
Jaggery	5
Ghee	9
Sheep and goats	11
Oil	39
Tobacco	12
Total	110

5 Octroi in the remaining Municipal Towns, (Kolar, Chikballapur, Sidlaghatta Chintamani and Bowringpet), has been one of the chief sources of revenue and has to continue as heretofore, till other sources of revenue are secured to compensate the loss that may accrue by the abolition of Octroi

Letter No 29 dated 24th July 1911, from P R W Wetherall, Esquire, Dep Commissioner, Hassan District, to C S Balasundaram Iyer, Esq B A, offg Secretary to the Government of His Highness the Maharaja of Mysore, General and Revenue Departments, Bangalore

With reference to your letter No 9611 8—Ml 148 10, dated the 20th May 1911 calling for an expression of my opinion as to (i) the places where Octroi may be abolished wholly (ii) the places where the number of articles taxed may be reduced and the articles the Octroi on which may be abolished and (iii) whether it is necessary to raise the other taxes, rates and rents and if so, to what extent, &c, I have the honour to state as follows — **Serial No 8**

2 On a close inspection of the sources of income of the Municipalities of this District, under the 3 headings, *viz*, (1) Octroi, (2) house and Mohatarfa taxes and (3) Miscellaneous it is apparent that the income from Octroi forms the largest item Consequently it is undesirable at present to do away with octroi as a whole, in any of the Municipalities

3 But considering the fact that of all the articles on which octroi is levied, piece goods and other textile fabrics, Betel leaves and tobacco are generally the important articles at present fetching an appreciably large revenue, *viz*, about 70 to 80 %, or an average of 75 % of the total revenue derivable from octroi, while the duty levied from the other minor items go to make up the remaining 25 % Hence the question of abolishing altogether or reducing the present rate of duty on these minor articles of consumption in each of the Municipalities deserves consideration

4 The enclosed statement shows the actual realizations under octroi and other taxes during the past three years ending with 1909 10 and their averages in the eight Municipalities of this District This statement indicates that the income derived from the levy of octroi on fresh and dry cocoanuts in all the Municipalities except Arsikere (where no duty is levied on these articles) is small, *viz*, about 12 % of the total income from octroi Hence the abolition of duty on these articles will not appreciably interfere with the resources of any of the Municipalities in the District Moreover the inconveniences which usually attend the recovery of octroi, giving room as it does for peculation and oppression by low paid Municipal employees, can to some extent be reduced by the abolition of octroi on these two articles *viz* fresh and dry cocoanuts Further it may be here mentioned that the market value of these every day necessary articles of domestic consumption has almost doubled itself during the past few years so that the mass of the people feel the pinch by the rise in price of these articles Hence the abolition of Octroi duty (however small it may be) on these two articles will be much appreciated by all classes of consumers everywhere

5 Similarly the duty on sugar, jaggory, ghee and butter in the Municipality of Hassan may be done away with, since the income from octroi on these articles is not so large as to effect the municipal revenue to any appreciable extent

6 Having thus far discussed the question of abolition of octroi now being levied on some articles of domestic consumption in municipal towns with a view to afford beter scope for free trade, as also to minimize annoyance and trouble to the people, etc, the ways and means of recouping the loss resulting from the abolition of octroi on the above mentioned articles may be now considered

7 Mysore is an agricultural country, and it is admitted everywhere that cattle are the backbone of agriculture It is also well known that cattle lifting has become so frequent, and now on the increase, that the necessity for devising suitable penal r utting down the evil deserves serious consideration The municipalities may, in sphere of action co operate with the Government in this important matter by firaming suitable rules for checking the indiscriminate killing of cattle whether fit for the purpose or not, and by levy of a suitable slaughtering fee th ir

income may be increased The question of fixing a small rate of fee on the trade in hides is also suggested with a view to effecting the double object just mentioned. If the income from these sources be found insufficient, the question of introducing a smallrate of toll (say one anna) on carts, etc, will go a great way to improve the financial condition of the municipalities without at the same time giving room for oppression by low paid municipal officials in as much as the levy of toll may be ~~framed~~ farmed out year by year If after sufficient experience this method of farming out the levy of toll gains ground and shows fairly good financial results, the question of abolition of octroi on the remaining articles and the increase of house and mohatarfa taxes may then be considered and decided upon

8 In conclusion it may be stated that the duties levied on some of the articles mentioned above, such as fresh and dry cocoanuts, may be done away with in all the Municipalities of this district, and octroi on jaggory, sugar, ghee and butter in the Hassan municipality may also be abolished The question of introducing slaughtering fees in such of the municipalities where it is not now levied, may be considered along with the fixing of a small rate of fee on trade in cattle and hides Similarly the matter of levy of a small rate of toll on all *incoming* cart traffic, etc, may be considered for being worked on the contract system, which would also afford a means of gauging the condition of local trade from year to year

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Letter No 15, dated Shimoga, 27th July 1911, from K Srinivasa Rao, Esq, Deputy Commissioner, Shimoga District, to C S Balasundaram Iyer Esq, B A Officiating Secretary to the Government of Mysore, General & Revenue Departments, Bangalore

With reference to your letter No 9611 8, M L 148-10, dated 20th May 1911 calling for my opinion on the proposed abolition of octroi duty in the marginally noted Municipalities, I have the honor to state that for the reasons given below, I do not consider that octroi duty can be abolished in any of the said Municipalities without totally crippling their financial condition

1 Channagiri
2 Honnali
3 Nyamti
4 Sorab
5 Kallurkatte

Serial No 9

2 Taking the opening balance of each municipality as the accumulated savings of several years, it will be seen that even with the octroi collection, not one is in a position to show a decided surplus over its annual expenditure In every municipality, the income derived from octroi is considerably more than the average savings, which are almost negligible in amount, and the necessary result is that without octroi, the municipality will cease to exist as a self supporting institution

3 How far it will be possible to find additional funds from a revision of house tax can only be determined by a thorough revaluation of the buildings, or determination of the rental, which is a matter requiring time and labour It is however in contemplation to revise the assessment of house tax and if it should be found to result in an increase countervailing the probable loss from abolition of octroi, proposals will be submitted on that behalf to Government

4 I regret the delay in submitting this report which has been due to non receipt of the resolutions of the various Municipalities Even as it is, my opinion has had to be based on the figures available in this Office

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Letter No 23, dated 2nd August 1911, from B J Kumaraswami Naik, Esq , B A Deputy Commissioner, Bangalore District, to C S, Balasundaram Iyer, Esq , B A Officiating Secretary to the Government of H H the Maharaja of Mysore, General and Revenue Departments

Adverting to your letter No 9611-8—Ml 148-10, dated 20th May 1911, calling for my opinion on the question of abolition of octroi taxation, in municipalities, I have the honour to state as follows — Serial No 10

2 The objections to the system of octroi taxation that are recapitulated in your letter under reference are no doubt real and weighty, but if the Octroi which accounts for merely half the revenue in the several Municipalities is done away with in its entirety, it is sure to tell upon the finance of the Municipalities and is likely to interfere with their satisfactory working Its entire abolition at this stage of our experience of Municipal Administration is neither possible nor expedient but it should be the object to be aimed at in the distant future

3 The taxation may, however, be abolished wholly in the minor municipalities of Lyamagondlu, Sarjapur and Vadigenahalli which are not the Head Quarters of the taluk, as it is not possible for the higher officers to supervise and regulate the work of the municipal employees entrusted with the octroi collection in these towns But in my opinion it is desirable to convert the said places into Unions instead of keeping them on as non regulation Municipalities, as on the abolition of octroi, the Municipal Revenue will fall off which it may not be possible to make up by other means as the house and mohatarfa taxes in these small towns are not capable of any appreciable enhancement, if revised and the imposition of any new tax is not feasible

4 To minimise the inconvenience of the trading class the taxation on the following articles which (excepting tobacco) are more or less of the nature of necessaries, may be ablished throughout in all the Municipalities of this District without much loss to the finance —

1 Dry cocoanuts
2 Oil
3 Ghee
4 Jaggory
5 Tobacco

In consideration of the poor income realized from the duty on the above articles and the amount of inconvenience involved in the collection of duty thereon, the taxation on them may be safely done away with

5 The abolition of the taxation wholly in the Municipalities of Anekal and Kankanhalli, as suggested in your letter under reply will embarrass the finances if these are not to be continued as Municipalities But as these are taluk Headquarter towns, it is quite necessary to retain them as Municipalities, though in the case of Kankanhalli it is not possible under the existing rules to bring it under the operation of the new Municipal Regulation For the present the number of articles subjected to octroi duty, may be reduced as explained in para 4 *supra* This step is recommended in order to afford a chance to the Municipalities to improve their finances under the heads house tax and mohatarfa and to see how far the further abolition of octroi taxation is practicable To recoup the loss resulting by the partial abolition of octroi, a small lighting tax not exceeding one eighth of the amount of house tax now levied may be imposed without much inconvenience to the rate payers Recourse may be had to this new taxation only if it is found that the revision of house and mohatarfa taxes by 25 per cent does not bring in sufficient revenue In this connection, I may state that in the case of regulation Municipalities if the octroi is abolished, the recoupment of the loss by raising the value of houses is not a matter entirely within the discretion of Government Officers The Municipality will have to fix the valuation and such valuation will be subject to an appeal to a Magistrate under Section 86 of the new Municipal Regulation Thus, before any octroi could be taken in the matter, the Municipalities concerned will have to be consulted, but this could not be done now, as the subject was required to be treated as confidential

Except pages 116-21 of the correspondence relt. of the trial Coop returned fully corrected may the attached off Hosp. where reference will be made later on

Bangalore 19.9.1912

Trial Copies received on 3.12.1912 { to authorities / to authorities / notes }

1912.12.3.

Copy No. 41 of the trial Coop of the Fr. Hosp. of 10 enc. herewith returned for the most part be done.

Bangalore 7.10.1912

Surgeon Obst.

1	Bangalore	Kunkunkalli Yamunagunda Nelamangala Hodkadaloyan Hosakote	1908-09	744	953	.	893	1	.	110	27
			1907-08	942	967	.	906	.	.	119	29
			1906-07	973	894	.	909	.	.	143	29
			Total	2659	2814	.	2708	1	.	372	85
			Average	886	938	.	903		.	124	28
2			1908-09	968	918	.	687	.	.	232	28
			1907-08	1242	1487	.	1262	.	6	967	596
			1906-07	995	1356	.	1381	.		377	440
			Total	3205	3761	.	3330	.	6	2576	1267
			Average	1068	1254		1110	.	2	859	422
3			1908-09	746	880	.	616	.	.	134	231
			1907-08	647	1060	.	706	.	.	280	269
			1906-07	657	958	.	633		.	451	269
			Total	2050	2898	.	1955	.	.	865	[illegible]
			Average	683	966		652	.	.	288	25
4			1908-09	852	1033	.	545	.	.	241	267
			1907-08	595	1426	.	631	3	29	290	266
			1906-07	851	1077	.	616	.	.	212	376
			Total	2298	3236	.	1792	3	.	1743	915
			Average	766	1079	.	597	1	.	581	305
5			1908-09	477	926	1	551	.	.	222	21
			1907-08	247	913	1	578	1	.	285	20
			1906-07	267	907	.	688	.	.	129	4
			Total	991	2746	2	1817	1	.	636	61
			Average	330	915	1	606	.	.		

4	129	94	822	417	249	78	.	290	.	180	.	2283	
	121	90	856	597	302	461		290	.	11	.	2728	1242
.	220	.	856	391	294	2400	.	290	.	15		4466	
4	470	184	2534	1405	845	2939	.	870	.	146	.	9397	
1	157	61	845	468	282	980	.	290	.	49	.	3132	
4	69	137	1689	479	554	380	4	460	319	277	.	4368	
.	50	137	1652	576	357	924	.	460	319	352	.	4500	
.	77	189	1703	403	862	545	.	460	440	440	.	4149	2088
4	196	463	5044	1458	723	1849	.	1380	638	720	.	13025	
1	65	154	1681	486	424	616	.	460	213	240	.	4342	
3	33	88	936	341	156	172	.	240	.	208	.	2169	
.	33	79	929	415	227	832	.	240	.	52	.	2807	1488
.	46	83	957	299	226	465		240	.	79		2495	
3	142	250	2822	1055	609	1469	.	720	.	331		7371	
1	37	83	941	352	203	490	.	240		310	.	2457	
4	15	88	708	284	204	311	.	297	100	195	.	2233	
	.	85	686	417	250	489	.	297	600	49	.	2393	
	20	84	718	329	170	179		297	1726	45	.	3622	
1	14	35	2572	1030	624	979	.	891	1426	289	.	8848	
1	12	86	704	343	288	326	.	297	599	96	.	2949	
2	13	74	1170	485	55	63	.	320	42	112	.	2348	
	13	79	1175	534	87	62	.	320	.	34		2204	
.	19	77	1169	446	690	.	.	320	.	15	.	2236	
2	45	230	3514	1465	332	425	.	960	.	161	.	6588	
1	15	77	1171	488	111	42	.	320	.	54	.	2524	1296

6	Magar	1908-09	1490	1418		913			87	39
		1907-08	1303	1414		869			130	37
		1906-07	1336	1411		911			69	37
		Total	4129	4243		2693			286	113
		Average	1376	1414		898			95	37
7	Bangalore Chamarajpet Blore Net	1908-09	1186	1469		1115		5	161	39
		1907-08	1048	1457		1002		7	87	39
		1906-07	1333	1392		1275		27	297	38
		Total	3567	4318		3392		39	585	118
		Average	1189	1439		1131		13	195	39
8		1908-09	1489	2786		2122		8	500	696
		1907-08	2084	2460		2128		5	475	715
		1906-07	1889	2467		2052		7	445	656
		Total	5462	7713		6302		20	1420	2991
		Average	1821	2571		2100		6	474	997
9		1908-09	667	1931		996		4	229	382
		1907-08	683	1812		994			181	367
		1906-07	351	1833		998			171	335
		Total	1701	5576		2988		4	581	1086
		Average	567	1859		996		1	193	361
10	Sri Agra Mettal	1908-09	371	610		422			57	14
		1907-08	270	605		423			50	13
		1906-07	202	592		431			53	
		Total	843	1807		1276			160	40
		Average	281	602		425			54	136

4	153	114	990	445	333	619	.	400	.	165	.	3223
	154	116	1009	453	333	640	.	400		57	.	3156
	24	90	826	397	302	467	.	320		11		3748
	150	115	937	433	320	884		400	.	2	.	3241
4	45	345	2936	1331	986	2443	.	1200	-	218		9629
1	152	115	979	444	329	714		400		73	.	3267
4	120	154	1645	451	401	311	.	120	46	176	.	3352
.	138	133	1661	525	445	408	.	120	.	52	.	3482
	50	137	1652	576	455	904	.	400		352		4608
.	213	.	1563	376	375	292	.	120		24	.	2963
4	471	287	4869	1352	1221	1011		360	.	253	.	9827
1	157	96	1623	457	407	337		120		84		3276
6	235	154	2402	721	673	1882	.	500	-	348	.	6924
.	239	127	2353	568	528	711	.	500		52	.	5103
	33	79	926	415	227	832		240	.	62		3207
	238	124	2422	406	531	1732		500		34	.	5972
6	712	405	7182	1595	1752	4325		1500		439		18016
2	237	135	2394	565	582	1442		500		146		6005
3	34	140	1202	385	649	100	.	490	.	344	.	3348
	18	142	1215	498	661	521	.	490		138	.	3683
		134	1260	349	578	602	.	490	.	149		3562
	52	416	3687	1232	1888	1223		1470		63	.	10993
1	17	139	1226	411	629	408		490	.	210	.	3664
1	14	51	540	51	180	815	.	130	.	64	.	1846
	10	51	38	70	174	462	.	130	.	9	.	1444
	0	52	540	24	169	416	.	130		9	.	1340
1	24	154	1618	143	523	1693	.	390	-	82		4630
	8	51	539	48	174	564		130	.	27		1543

11	Bangalore	Varagenahalli Gerundhalli	1908-09	1202	1438	.	811	.	.	.	265	37
			1907-08	1061	1347	.	817	.	5		197	34
			1906-07	1298	1486		938	.			279	46
			Total	3561	4271	.	2566	.	5		741	111
			Average	1187	1424		855	.	2		247	37
12			1908-09	734	677	.	543	.	.		118	20
			1907-08	665	729	.	521	.			83	20
			1906-07	758	815		713	.	.		123	24
			Total	2157	2221	.	1777	.	.		326	64
			Average	719	740		592	.	.		109	21
13	Kolar	Bangarpet	1908-09	3405	3873	42 Licence	2556	3432	51		1933	158
			1907-08	2436	2472	73	1850	2166	14		2113	1112
			1906-07	3455	2033	20	1408	3165	38		3286	1350
			Total	9296	8378	135	5814	8763	103		7432	3720
			Average	3099	2793	45	1938	2921	34		2477	1240
14			1908-09	1144	1694	7 Licence	1288	4363	.		340	888
			1907-08	1613	1654		1170	3675	.		303	784
			1906-07	1313	1687	6	1272	4108	.		219	86
			Total	3470	5035	13	3730	12146	.		862	2525
			Average	1157	1678	4	1244	4049	.		287	841
15		Chikballapur	1908-09	4520	1760	.	840	1943	2		228	926
			1907-08	7154	1969	.	929	2124	.		232	12
			1906-07	5764	1921	.	923	2189	2		343	112
			Total	17438	5650	.	2692	6256	4		798	328
			Average	5813	1883	.	897	2085	1		266	109

4	59	67	1226	385	430	831	60	212	.	173	.	3447
.	56	60	1237	437	413	1350	60	212	.	5	.	3830
.	60	72	1212	395	387	1194	60	322	.	27	.	3729
4	175	199	3675	1217	1280	3375	180	746	.	205	.	11006
1	58	66	1225	406	410	1125	60	249	.	68	.	3669
3	38	33	789	228	134	563	.	80	94	94	.	1960
.	32	34	791	260	198	891	.	80	.	.	.	2286
.	38	56	780	142	136	1400	.	80	.	20	.	2667
3	108	123	2360	630	468	2854	.	240	.	114	.	6900
1	36	41	787	210	156	951	.	80	.	38	.	2300
6	624	275	3216	481	818	5294	45	700	1173	1		12841
4	624	124	3808	910	1089	6492	142	.	733	1412	30	15043
9	622	223	2860	431	782	4341	109		500	1185	.	11031
49	1870	622	9884	1522	2689	16037	296	.	1900	3440	31	38915
6	623	207	3295	607	5362	49	.		633	1137	10	12972
6	420	190	2568	571	787	2807	40	440	.	512	.	8341
4	50	150	4522	561	774	4759	7	440	.	163	2	9332
1	.	141	2761	463	536	4988		440	.	206	.	9536
1	470	481	7751	1545	2091	12554	47	1320	.	881	2	27209
5	157	160	2584	532	697	4185	16	440	.	294	1	9070
5	575	130	4491	566	819	29	28	397	1000	461	.	8475
4	586	142	1683	531	463	1708	15	397	1000	613	.	7264
3	575	141	1471	428	561	1572	.	397	1000	35		5564
11	1736	412	4645	1465	1843	6200	43	1191	3000	1325		22243
5	579	137	1548	488	614	2069	14	397	1000	44		7414

21	Kolar	Gudibanda	1908-09	82	440	.	317	.			91	9.
			1907-08	173	429		345	.		.	122	16
			1906-07	109	471		340	.		.	36	9
			Total	364	1340		1002	.		.	249	29
			Average	121	447	.	334	.		.	83	98
22	Kolar	Gowribidanur	1908-09	632	624	.	565	.		.	29	18
			1907-08	539	736	.	525	.		.	64	18
			1906-07	618	674		557	2			11	18
			Total	1789	2034		1647	2			104	55
			Average	596	678		549	1			35	185
23	Kolar	Malur	1908-09	125	734	.	598	33			242	173
			1907-08	94	849	.	715	37		3	142	184
			1906-07	155	863	.	626	51		1	163	185
			Total	374	2446	.	1939	121		4	547	543
			Average	125	815	.	646	40		1	182	181
24	Tumkur	Tumkur	1908-09	2702	2949	7150	1935	401		.	3882	1901
			1907-08	2182	2663	7093	2133	504		.	1444	1601
			1906-07	2664	2593	4670	1740	687		.	1919	1427
			Total	7548	8205	18913	5808	1592		.	7245	4931
			Average	2516	2735	6304	1936	530		.	2415	1644
25	Tumkur	Madhugiri	1908-09	222	814	.	343	.		.	84	14
			1907-08	558	1765	.	554	.	1		68	296
			1906-07	541	1514	.	487	.	1		290	285
			Total	1321	4093	.	1384	.			442	740
			Average	440	1364	.	461				147	241

Income and Assessment for

Serial number	District	Municipality	Robert Year	Acres	Acres or lines drill holes chains	Jobs	Income McKenzie	Income Rents	Income Miscellaneous Fines	Income Miscellaneous Interest	Income Miscellaneous
1											
2											
3											
4											
5											
6											
7											
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26	Jamshedji Kharabagar	1908 09	310	352	.	380	.	.	31
		1907 08	559	526	.	407	.	.	39
		1906 07	506	593	.	490	.	.	74
		Total	1375	1471	.	1277	.		144
		Average	458	490		426			48
27	Jamshedji Rustomji Kotwal	1908 09	561	1847	.	308	.		98
		1907 08	780	1889	.	591	.		117
		1906 07	501	2064	.	621	.		36
		Total	1842	5800	.	1520	.		251
		Average	614	1933	.	507	.		84
28	Sorabji Gulbai	1908-09	969	895	.	790	.	1	628
		1907-08	1116	1292	.	984	.		1017
		1906 07	980	1477	.	1158	.		758
		Total	3065	3664	.	2932	.	2	2403
		Average	1022	1221	.	977	.	1	801
29	Jamshedji Jijibai	1908-09	954	989		435	..		206
		1907 08	642	1326		1020	.		194
		1906-07	1225	1450		973	.	.	1943
		Total	2821	3765	-	2428	.	.	5924
		Average	940	1255	-	809	.	.	198
30	Jamshedji Jijibai	1908 09	2700	1098	.	1376	-	.	108
		1907 08	3773	1450	-	1637	.		264
		1906-07	3782	1520	-	1673	.	15	359
		Total	10201	4068	.	4686	.	15	731
		Average	3400	1356	.	1562	.	5	244

9	.	46	640	144	131	419	.		130	.	12	.	1531
6	.	50	538	271	158	315	.		130	.	5	.	1473
7		44	578	26	114	168	.		130	.	54	.	1071
22		140	1706	441	403	902	.		390	.	71	.	4075
		47	569	147	134	307	.		130		24	.	1358
11	96	123	1557	319	80	868		42	440		65	.	3601
13	91	.	1228	281	158	2411	.		440	.	2	.	4624
17	95	.	1188	220	125	718	.		440	.	2	.	2805
41	282	123	3973	820	363	3997		42	1320	.	69		11030
14	94	41	1324	273	121	1332		14	440	.	23	.	3677
19	126	115	872	407	336	1022	.		303	.	96	.	3296
10	125	130	1156	261	359	1761	.		303	.	20	.	4025
16	120	91	967	182	344	1347	.		304		25	.	3396
45	371	336	2895	850	1069	4130			910		141	.	10777
15	124	112	965	283	356	1377			303	.	47		3572
[illegible]	162	117	1639	391	455	1475	.		60	.	77	.	4396
[illegible]	166	121	1292	358	443	1915	.		60	.	120	5	4490
[illegible]	153	129	1217	360	398	1777			60	.	5		4115
[illegible]	481	367	4148	1109	1296	5165	.		180	.	202	5	13003
[illegible]	160	122	1385	370	432	1722			60		67	2	4334
[illegible]	185	150	1448	448	197	2602		51	85	.	33		5223
[illegible]	203	150	1505	393	234	1138			85	.	18	.	3737
[illegible]	204	132	1240	424	315	2142	.		85	.	46		4602
[illegible]	92	[illegible]	[illegible]	65	[illegible]	882		51	255	-			1356
[illegible]	137	144	1378	432	249	1961		17	85		32	.	4523

31	Turner	Thomas Calagaza Turner	1908-09	531	446	.	122	.	.	141	[illegible]
			1907-08	531	582	.	226	.	.	191	[illegible]
			1906-07	536	522	.	195	.	2	225	[illegible]
			Total	1598	1550	.	543	.	2	557	[illegible]
			Average	533	517	.	181	.	1	185	[illegible]
32			1908-09	55	436	.	198		.	46	[illegible]
			1907-08	111	511	.	272	.	1	92	98
			1906-07	68	522		274		1	98	96
			Total	234	1469	.	744	.	2	236	268
			Average	78	470	.	248		1	79	89
33		Thomas Turner	1908-09	604	1064	.	897	2	.	358	29[illegible]
			1907-08	1139	1318		903	.	6	605	39[illegible]
			1906-07	930	1303		912	.	.	429	35[illegible]
			Total	2673	3685	.	2712	2	6	1392	104[illegible]
			Average	891	1228	.	904	1	2	464	34[illegible]
34	Moore	Thomas	1908-09	2213	1493	.	1098	390	8	636	583[illegible]
			1907-08	1323	1797	7	1686	247	1	854	591
			1906-07	1463	876		870	128	7	560	390
			Total	4999	4166	7	3654	765	16	2050	1565
			Average	1666	1389	2	1218	255	5	683	521
35		Thomas Moore	1908-09	1633	1118	.	995	12	6	127	389
			1907-08	1487	897		991	17		139	353
			1906-07	1084	946		994	24	1	173	322
			Total	4204	2961		2980	53	7	439	1064
			Average	1401	987		993	18	2	146	354

7	23	40	396	83	49	313	49	60	.	55		1077
6	23	35	411	84	43	250	.	60	.	65		975
7	5	33	396	21	27	126	.	60		61		736
22	37	108	1203	188	119	689	49	180	.	181		2790
7	17	36	401	63	40	230	16	60		60		930
14	.	39	524	156	136	265	.	80	.	18		1232
12	.	40	443	84	99	316	.	80		13	.	1087
13	.	38	435	22	78	123	.	80	.	16	.	805
39		117	1402	262	313	704	.	240	.	47	.	3124
13	.	39	467	87	104	235	.	80		16	.	1041
19	84	111	888	449	300	879	.	260		168	.	3128
12	51	111	881	255	196	806	.	260	.	205	.	2777
36	.	110	903	245	204	637	.	260	.	117	.	2512
67	135	332	2672	919	700	2322		780	.	490	.	8417
22	45	111	891	306	233	774	.	260	.	163		2806
6	208	160	1450 530	388	339	232	.	8	500	505	.	4114
	214	79	1423	385	318	1001	7	8	500	613	.	4888
	201	82	1482	374	339	1981	35	8	500	585	.	594
	623	321	4355	1145	996	3214	42	24	1500	1703		4449
"	208	107	1452	382	332	1071	14	8	500	568		4983
	197	94	[illegible]	226	224	718	11	240	.	52	.	2931
	209	97	944	217	215	207	.	240	.	134		2260
	190	106	973	215	256	1212	.	240	.	88		3250
	46	291	[illegible]	658	641	1237	11	720	.	221	.	8441
"	199	99	1000	219	232	746	4	240	.	74	.	2814

1742

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2220

36	Myrtle	Yedlatz	1908-09	1380	703	.	365	-	6	346 2
			1907-08	1062	620	-	380	.	.	105 21
			1906-07	1093	555		331			165 36
			Total	3535	1878	.	1076	.	6	2109 [illegible] 86
			Average	1178	626		359	.	2	703 28
37	Myrtle	Hoggadorn	1908-09	187	144		110	.	.	114 5.
			1907-08	236	284	.	182	6	.	218 9.
			1906-07	191	162	.	161	.		111 6
			Total	614	590	.	453	6	.	443 21
			Average	205	187	.	151	2		148 7
38	Myrtle	Grundstedt	1908-09	1939	847	.	1170	10	2	166 [illegible]
			1907-08	2374	1801		2133	10	291	291 66
			1906-07	1641	616	.	828	13	.	235 33
			Total	5954	3264	.	4131	33	2	692 140
			Average	1985	1088	.	1377	11	1	230 46
39	Myrtle	Nonnenmann	1908-09	6263	3055	3400 Letzten	2117	1	.	460 5. 28.
			1907-08	5382 28	1288	3754	912	1	.	605 175
			1906-07	4842	1976	4099	1414			929 132
			Total	16433	6319	11263	4443	2	.	1947 459
			Average	5478	2106	3754	1481	1	.	2482 153
40	Myrtle	Nonnenmann	1908-09	.	513	.	251	.	.	308 35
			1907-08	.	865	.	465	.	.	216 154
			1906-07	.	360	.	230	.	.	91 68
			Total	.	1738	.	946			615 329
			Average	.	579	.	315		.	205 110

5	138	.	530	200	205	3445	.	120	.	257	7	4902
.	56	450	259	168	480	480	.	120	.	230	.	1763
.	51	.	471	184	143	354	.	120	.	190	.	1513
5	189	56	1451	643	516	4279	.	360	.	677	2	8178
2	63	19	484	214	172	1426		120	.	226	1	2726
5	4	.	341	15	44	.	.	40	.	39	.	484
.	.	.	456	15	21	.		40	.	70	.	658
.	.	18	467	18	18	398	.	40	.	16	.	1035
5	.	18	1264	48	193	398	.	120		131		2177
2	.	6	421	16	64	133	.	40	.	44		726
5	165	113	1206	223	345	914	.	300	.	140	.	3447
.	156	237	1116	240	304	978	.	309	.	142	.	3482
.	69	.	1126	207	220	548	.	309		108		2587
5	390	350	3448	670	869	2440	—	918		390		9460
2	130	117	1149	223	290	813	.	306	.	130	.	3160
19	261	64	2354	369	393	2896		500	998	532	.	8734
	377	93	2291	363	437	3883	.	510	998	444	.	9681
	1496	103	2176	300	299	1660	.	490	998	302	.	7144
	1134	260	6821	1032	1129	8489	.	1500	994	1083	.	25559
6	378	87	2274	344	376	2813	.	500	998	428		8520
		56	182	19	144	204	.	100	18	16	.	1095
		.	473	19	242	190	.	100	.	72		1006
		.	419	18	179	140	.	100	.	18	.	874
		51	1154	56	545	[illegible]	.	[illegible]		[illegible]		[illegible]
		17	485	19	188	[illegible]		100		35		992

41	Mayfield	Ceriagrotta	1908-09	465	646	765	-	-	347 2
			1907-08	431	726	788	-		397 2
			1906 07	453	578	660			358 2
			Total	1349	1950	2153	.	.	1102 6
			Average	450	650	718		.	367 2
42	Mayfield	Bauman	1908-09	564	982	675		.	145 2
			1907 08	431	1213	934		.	153 2
			1906 07	464	726	788			397 2
			Total	1502	577	1458		.	96 15
			Average	503	772	2067	.	.	394 6
					924	689			131 2
43	Mayfield	Fall Mark	1908-09		698	807	.	.	299 18
			1907 08		1446	615		.	158 19
					1443	934			153
			1906-07	.	1172	690			113 19
			Total	.	3016	2412		.	570 56
			Average	.	1005	704		.	190 19
44	Mayfield	Sericigrotta	1908 09	4946	3477	645	160	.	1 573 112
			1907-08	4639	4242	528	2129	.	13 612 121
			1906 07	4000	3046	514	1578	2	- 533 96
			Total	13585	10765	1687	5314	2	14 1718 308
			Average	4528	3588	562	1771	1	5 573 102
45	Mayfield	Mandeya	1908-09	775	434	.	541		85 183
			1907-08	1023	792	.	1229	-	. 138 318
			1906 07	784	444	.	708	.	40 197
			Total	2582	1670	.	2478	.	. 263 697
			Average	861	557	.	826	.	. 88 23

5	21	76	829	44	209	771	.	.	.	94	.	2049	
.	22	62	829	44	200	232	.	.	.	149	.	1508	3
.	25	65	834	37	207	762	.	.	.	172	.	2102	1543
5	68	203	2492	125	616	1765			.	385	.	5659	
2	23	68	831	42	205	588	.	.	.	128	.	1886	
5	138	139	476	40	179	133	.	.	.	36	.	1146	
.	150	150	595	40	173	644		.		15	.	1787	
.	135	135	681	26	152	100	.	.		51	.	1280	5501
5	423	424	1752	106	504	877	.	.	.	102	.	4193	
2	141	141	584	35	168	292	.	.	.	34	.	1398	
5	.	.	465	28	243	486	.	80	.	412	.	1728	
.	.	.	401	28	245	713	.	41		41	.	1428	
.	.	.	390	28	230	365	.	.	.	10		1023	2620
5		.	1256	84	718	1563		80	.	463		4159	
2			419	28	239	521		29	.	154	.	1390	
238	827	396	3778	500	923	1641	66	300	.	232	.	8871	
18	789	356	3645	485	714	450	66	300	.	451	.	7414	6984
117	859	341	3804	501	878	3083	67	300	.	417	.	10412	
58	2475	1093	11227	1486	2515	5144	199	900	.	1100	.	26697	
116	825	364	3742	495	838	1715	66	300	.	367	.	18899	
	211	102	172	116	188	273	.	130	.	39		237	
			504	136	106	713	.	130	.	100	.	1689	
	52	55	524	108	94	903	.	130	.	5		[illegible]	
[illegible]	113	154	540	36	344	2149	.	370	.	144	.	5937	
[illegible]	68	53	513	120	129	896	.	130	.	48	.	1979	

46	Mysore	Thirthamajpet	1908-09	657	606	.	480	.	38	39	1
			1907-08	314	966	.	341	.	1	74	16
			1906-07	520	497	.	395	.	.	153	13
			Total	1491	2069	.	1216	.	1	266	56
			Average	497	690	.	405	.	0	89	16
47		Mahalli	1908-09	455	1536	.	950	.		80	4
			1907-08	1269	1428		877	.	7	294	38
			1906-07	1258	1282		839	.	.	273	36
			Total	3982	4246	.	2666	.	7	647	115
			Average	1327	1415		889	.	2	216	38
48		Nagamangala	1908-09	540	459		437	.		41	14
			1907-08	978	781	.	724	37	.	59	25
			1906-07	1102	629	.	745	9	2	146	26
			Total	2620	1869	.	1906	46	2	246	66
			Average	873	623	.	635	15	1	82	32
49		Melkote	1908-09	.	822		229	191	4	611	185
			1907-08	.	1215		274	168	13	173	184
			1906-07	.	1415	.	312	122	.	181	203
			Total	.	3452	.	815	481	14	965	572
			Average	.	1151	.	271	160	5	322	190
50		Tirumakudal Narsipur	1908-09	439	578	1	783	456	2	55	234
			1907-08	492	896	5	1090	270	3	135	289
			1906-07	340	705		1041	335		89	251
			Total	1271	2179	6	2914	1061	5	279	775
			Average	424	726	2	971	354	2	93	257

5	35	.	296	277	221	475	.	70	.	42	1424
.	45	45	297	266	74	187	5	70	.	66	1955
.	24	48	293	218	182	631	.	70	.	34	1500
5	104	93	886	761	477	2193	5	210	.	142	4876
2	35	31	295	254	159	731	2	70	.	47	1625
7	120	166	1242	295	248	1606	.	190	.	59	3873
.	87	208	945	394	183	1921	2	190	.	182	4106
	2	.	923	301	150	595	.	190	.	10	2171
7	203	314	3410	990	588	4122	2	570	.	251	10150
2	68	105	1037	330	194	1374	1	190	.	84	3383
6	57	62	511	160	200	1148	.	110	.	72	2320
	50	70	624	178	254	1390	8	110		112	2796
	54	51	564	148	186	1017		110	.	24	2134
6	155	183	1699	486	640	3855	8	330	.	188	7258
2	52	61	566	162	213	1185	3	110	.	63	2417
5	.	161	389	32	119	604	.	254	.	90	1654
	.	.	427	32	120	12	.	254		200	1045
	7	56	379	29	83	717		254	.	175	1700
.	7	217	1195	93	322	1333	.	762		465	4399
.	2	72	398	31	107	444	.	254		155	1466
	76	[illegible]	[illegible]	127	[illegible]	[illegible]	.	150	.	19	1448
	79	70	349	183	89	251	.	150	.	103	1274
	38	45	265	113	97	414	.	150	.	25	1247
.	93	188	1416	423	284	145	.	45	.	147	3471
2	64	63	362	141	95	398		150	.	49	1324

51	Impane	Saligram	1908-09	1005	1375	.	789	.	-	196 33
			1907-08	982	1038	.	444	.	.	4384 68
			1906-07	790	875		250	.	.	307 49
			Total	2777	3288	.	1483		.	7650 157
			Average	926	1096	.	494	.	.	2550 50
52	Hadson	Hassan	1908-09	5685	3620	.	1415	99	.	1848 [illegible]
			1907-08	5375	4491	.	1704	69	.	1870 [illegible]
			1906-07	4529	3764	.	1815	72	3	3786 [illegible]
			Total	15589	11875	.	4934	240	3	7264 [illegible]
			Average	5196	3958	.	1645	80	1	2401 132
53	—	Ahur	1908-09	2364	434	.	516	.		220 353
			1907-08	2204	515	.	616			172 350
			1906-07	1876	689		763	2		293 362
			Total	6444	1638	.	1895	2		685 1066
			Average	2148	546	.	632	1		228 355
54	Hassan	Belur-Sakleshpur	1908-09	2120	872	.	842	82	.	204 676
			1907-08	1834	832		910	72	-	458 413
			1906-07	1542	691	.	891	69	9	443 361
			Total	5496	2395	.	2643	223	9	374 3450
			Average	1832	798	.	881	74	3	1248 483
55			1908-09	1271	974	.	753	6	-	183 318
			1907-08	1449	962	.	837	8	.	181 343
			1906-07	1431	878	.	825	.	2	207 334
			Total	4151	2814	.	2415	14	2	571 996
			Average	1384	938	.	805	5	1	190 3322

5	74		.	446	30	216	248		.	150	.	62	2	1283	
	72	57		576	30	216	681			150	.	158	.	19401	
.	41		.	478	32	126	1570			150	.	7	.	24045	9571
5	187	57		1500	92	5382	549		.	450	.	227	2	5627	
2	62	19		500	31	1868	850		.	150	.	76	1	1876	
537	671		.	3932	688	1023	2628	396		250	.	1235 239	146	11935	
199	674		.	3507	716	838	2826	430		250	.	710	.	10502	
333	696		.	3918	518	939	1411	439		.	.	873		9627	16052
39	3041		.	1165	1922	2800	6865	7265		500	.	2947	146	32612	
23	680			3886	641	933	2285	422	167			982	49	10871	
9	118		.	637	302	181	600	396		90	.	101	.	2038	
16	120			653	316	156	354			90	34	31		1726	
~~199~~	~~674~~		.	~~3507~~	~~716~~	~~838~~	~~2826~~	~~430~~							
10	114			627	224	135	84			90	34	31		1315	13961
25	352			1917	842	472	1038			270		163		5079	
8	147			639	281	157	346			90		54		1693	
11	120	87		1449	337	440	3693			192		499	.	6933	
11	120	78		1423	305	386	1182			192	.	236	.	3936	
1	120	154		1456	219	345	631			192	.	294	.	3426	
11	360	319		4328	861	1171	5506			576	.	1129	.	14295	
11	120	106		1443	287	390	1835			192	.	376		4765	
11		88		[illegible]						360	.	216 473	.	3108	
1		87		[illegible]	324	290	573		.	360	.	60	.	2922	
11		90		[illegible]	269	383	[illegible]		.	[illegible]				2580	
111		265		3853	958	997	1124			1080	.	292	.	8670	
111		88		1284	319	332	375			360	.	97	.	2870	

56	Hassan	Chinnaya Krishna	1908-09	1539	494	.	690	975	.	3065	61
			1907-08	1415	2466	.	783	1156	.	541	61
			1906-07	1655	450	.	842	1111	2	211	46
			Total	4609	3410	.	2115	3242	2	3617	165
			Average	1536	1137	.	705	1080	1	1206	58
57	Hassan	Chinnaya Kalan	1908-09	753	738		574	.	.	347	24
			1907-08	753	744		645	.	.	78	22
			1906-07	674	720		631	3	.	141	21
			Total	2180	2202		1855	3	.	566	67
			Average	727	734		618	1	.	189	22
58	Hassan	Arkalgud	1908-09	1368	1158	.	539	.	.	141	32
			1907-08	634	1191		649	.	2	346	28
			1906-07	822	1054	.	511	12	13	202	26
			Total	2824	3403	.	1699	12	15	689	864
			Average	941	1134		566	4	5	230	288
59	Hassan	Holenarasipur	1908-09	2200	1374	.	814	.	.	172	45
			1907-08	1791	1291	.	844	.	.	141	406
			1906-07	1285	1053		863	42	.	136	37
			Total	5276	3718	.	2521	42		449	1000
			Average	1759	1239	.	840	14		150	49
60	Shimoga	Shimoga	1908-09	5730	8236	8696	3113	1310	.	1163	284
			1907-08	5040	3703	1416	2053	431	5	364	80
			1906-07	4529	3808	9003	1886	395	14	2878	224
			Total	15299	15747	18615	7052	2136	19	7622	794
			Average	5100	5249	10620	2850	712	6	2541	265

10	96	71	920	584	193	2104	.	140	.	205	.	14323
8	88	105	986	126	136	640	.	140		3	.	2182
9	96	.	911	33	90	448		140		20	.	1747
27	280	176	2767	743	419	1392	.	420	.	228	.	18252
9	93	59	922	248	140	4397	.	140	.	76	.	6084
15	.	69	772	277	149	946	.	202	.	144	.	2574
14	.	.	726	279	122	731	.	202		.	.	2074
8	.	137	730	183	135	308	.	202	.	.	.	1703
27	.	106	2287	394	406	1985		606	.	144		6351
22	.	69	743	246	135	662	.	202		48	.	2117
16	144 236	92 168	1068 250	197 197	207		.	220	.	144	.	2338
14	143	79	1059	266	207	121	.	220		35	.	2443
14	142	79	1119	203	185	144	.	220	.	62	.	2168
44	439	250	3246	719	589	472	.	660	.	241	.	6650
15	143	83	1082	250	196	157		220		80		2217
11	123	106	2141	339	267	278	.	350	.	170		3790
11	100	119	2161	270	310	148	.	350		35		3507
11	120	103	2134	228	348	41	.	350	.	217		3567
11	343	328	4368	837	925	467	.	1050	.	422		10859.
11	114	109	2145	279	308	156		350		141	.	3620.
11	1002 249	24	1175	576	325	759	577	500	500	259	.	22191
11	1120	223	8226	569	395	449	360	.	.	645	276	17599
11	1001	237	749	1590	1469	4132	360	.	.	57		17112
11	1023	1023	7235	440	1190	1297	.	500	357	276		56902
11	1008	236	7857	912	1397	5363	432	.	167	1183	92	18967

61	Shinsuke	Kumaza	1908-09			586		583				176 13
			1907-08			574		573				195 13
			1906-07			914		903				303 21
			Total			2074		2059				674 48
			Average			691		686				225 16
62		Chamagri	1908-09	356	949			801				149 22
			1907-08	254	1040			928				158 23
			1906-07	691	987			804				201 262
			Total	1301	2976			2533				508 7
			Average	434	992			844				169 24
63		Shomaki	1908-09	544	1421			643				206 28
			1907-08	249	1135			429				109 19
			1906-07	381	1258			574	8	3		164 23
			Total	1174	3814			1646		3		479 71
			Average	391	1271			549		1		160 23
64		Shikarkar Nyamak	1908-09	202	1404			555				112 227
			1907-08	164	1355			533		2		131 218
			1906-07	274	1260			686		1		154 27
			Total	640	4019			1774		3		397 723
			Average	213	1473			591		1		132 24
65			1908-09	1026	1438	1118		985		11		181 457
			1907-08	1005	7282	724	1048					266 432
			1906-07	783	1481			1058		6		1490 481
			Total	2814	4201	1842	3091			17		1937 1357
			Average	938	1400	614	1030			6		646 453

2	.	57	437	405	99	150	.		100	.	57	.	1301
1	.	91	437	429	108	355	-		100	.	5	-	1526
.	.	.	427	316	53	335	.		100	.	10		1241
3	.	148	1301	1150	260	840	.		300	.	66		4068
1	.	49	434	383	87	280			100	.	22	.	1356
3	.	98	857	393	244	585	.		292	.	202	.	2674
1	.	90	781	531	191	330	24		292		69	.	2309
.	.	92	780	334	228	93	292		292	.	66	.	1895
4	.	280	2418	1258	673	1008	24		876	.	337	-	6878
1	.	93	806	41	224	336	8		292	.	112	.	2293
3	.	.	873	332	105	312	.		245	.	87	.	1957
1	.	94	839	391	96	28	30		245	-	16	-	1730
.		129	722	292	114	57	.		245	.	16	.	1575
4		223	2434	1015	315	397	30		735	.	109	.	5262
1	.	74	811	338	105	132	10		245	.	36	.	1754
2	.	.	694	329	231	163	.		270	.	83	.	1773
1	.	119	679	334	237	259	-		270	.	23		1922
		76	694	272	245	784	.		270	.	13	-	1735
11		195	1065	935	713	1206	.		810	.	119	.	6049
1	.	65	689	312	238	402	.		270	.	34	.	2076
	.	118	117	398	417	1[illegible]8	-		330	.	218	.	3301
	.	130	179	3450	378	974	-		330	.	56	.	3563
		86	1306	319	379	1446	.		330	.	34	.	3900
	.	334	3916	1167	1174	2168	.		990		304		10764
1	.	111	1305	380	391	956	.		330	.	103		3588

66	Steinberg	Sorah	1908-09	345	649 ~~438~~		361	-	-	221	15	
			1907-08	216	628		364	-	-	184	13	
			1906-07	294	681		402	.	.	146	15	
			Total	855	1958		1127	.	.	551	44	
			Average	285	653		376	.	.	184	14	
67	Steinberg	Sagar	1908-09	1421	1461 ~~649~~	-	1017	106	.	266	42	
			1907-08	1218	1339	-	998	80	.	1508	54	
			1906-07	1015	1322		974	12	.	155	34	
			Total	3654	4122	.	2989	198	.	1929	120	
			Average	1218	1374	.	996	66	.	643	42	
68	Steinberg	Hallerstatte	1908-09	166	212 ~~441~~	.	266	1	-	95	7	
			1907-08	150	244	.	256	-	-	85	63	
			1906-07	143	223	-	233	-		139	738	
			Total	459	679	.	755	.		249	211	
			Average	153	226	.	252	.		73	70	
69	Steinberg	Irkhabla	1908-09	1775	559	.	261	1	5	182	27	
			1907-08	779	513	-	263	.	5	111	167	
			1906-07	1604	564	.	313	.	.	86	256	
			Total	4158	1636	.	837		13	379	702	
			Average	1386	545	.	279	.	4	126	234	
70	Hagar	Gilkhuagdin	1908-09	1349	8399	10 Lizenz	2181	1354		2784	2872	
			1907-08	1197	4480	14	1249	1397	-	3487 701	925	
			1906-07	9753	3701	12	1398	929	12	2148	779	
			Total	8597	16580	36	4828	3680	12	8419	6875	
			Average	1732	5527	12	1609	1227	4	2806	2291	

2	.	106	523	468	60	447	.	150	.	114	.	1876
1	.	53	496	576	83	379	.	450	.	79	.	1757
	.	46	483	379	70	61	.	150	.	85	.	1074
3	.	205	502	1363	213	887	.	450	.	278	.	4901
1	.	68	501	454	71	296	.	150	.	93		1634
4	24	125	1175	513	513	841	.	344	.	143	.	3687
1	24	117	1214	592	357	1294	.	344	.	48	.	3991
	24	113	1280	423	348	1120	.	344	.	20	.	3672
5	723	853	3669	1528	1218	3255		1032	.	211	.	11345
2	14	118	1223	509	406	1085		344	.	70		3782
1	.	.	243	73	62	106	.	204	.	38	.	520
1		23	239	225	120	86	.	.	.	11	.	705
			239	10	129	79	.	.	.	23	.	473
9		23	720	308	311	264	.			70	.	1698
1	.	8	273	103	104	88				23		566
			240									
3	144	.	706	490	200	619		204		100		2466
1	144	.	684	627	182	117	378	204		10	.	2347
.	140	.	690	382	188	.	.	204	.	7	.	1610
24	428		2080	1499	570	36	378	612	.	117	.	6424
1	143	.	693	590	190	245	126	204		39		2141
	1452	246	[illegible]	[illegible]	[illegible]		850	.	137	284	1	15778
1	1396	187	5113	1684	1686	840	815	.	1318	113	176	[illegible]
3	1	142	230	5226	2239	1088	1837	.	126	1340	75	22770
4	1	344	5663	5135	1241	1592	502	.	3956	4567	202	65818
1	1448	1425	221	5104	1724	1425	5864	834	1519	1527	67	21939

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71	Tarrant	1908-09	3543	4300		1378	1391	13	1022	
		1907-08	3693	3984		1281	1380		701	
		1906-07	3561	4824		1316	1680		716	
		Total	10797	13134		3975	4451	13	2439	
		Average	3599	4378		1325	1484	4	813	
72	Bryan	1908-09	913	1730	2	655		5	370	
		1907-08	687	2771	6	1228			310	
		1906-07	648	3247	2	1437	4		356	
		Total	2248	7748	10	3320	4	5	1036	
		Average	749	2582	3	1107	1	2	345	
73	Hasson	1908-09	1037	728	2	271			355	
		1907-08	1163	1505	2	639		2	736	
		1906-07	975	956	2	301		2	634	
		Total	3175	3181	6	1211		4	1725	
		Average	1058	1060	2	404		1	575	
74	Yoakum	1908-09	294	645		278	138		118	
		1907-08	220	493		300	107		73	
		1906-07	236	609		409	205		151	
		Total	750	1747		987	450		342	
		Average	250	582		329	150		114	
75	Mudigere	1908-09	995	420		327			376	
		1907-08	831	532		324			312	
		1906-07	676	396		427			160	
		Total	2502	1348		1078			848	
		Average	834	456		359			283	

166	330	158	3389	957	627	2645	.	1114	.	912	. 9298
169	329	176	3473	777	590	948	.	1114	.	478	. 7054
153	330	150	3378	704	1110	1335	.	1114	.	562	. 7836
488	989	484	10240	2438	2327	4928	.	342		1952	. 24188
163	330	161	3413	813	776	1643		114		651	. 8069
103	135	.	2278	640	546	437	180	75		482	. 4876
110	18	141	2136	648	570	151	183	75	.	161	. 4193
93	53	144	2013	595	539	960	195	75	.	172	. 4839
306	20	6285	6427	1883	1655	1548	558	225	.	815	. 13908
102	69	95	2142	628	552	516	186	75	.	272	. 4636
66	.	.	1368	77	362	357	.	.	.	645	2963
74	.	63	1348	134	270	578	.	.	179	370	. 3114
63		59	1348	91	355	711	.	.	49	426 183	3197 3429
203	.	122	4064	302	985	1446	.	.	228	1441	. 9271
68	.	41	1355	101	328	549	.	.	76	480	. 3690
121	.	39	736	89	56	133	.	110	.	77	. 1311
128	.	.	689	73	2	2	.	110	.	20	. 1022
120	.	30	805	82	.	199	.	110	.	23	. 1369
369	.	69	2230	194	58	332	.	330		120	. 3702
193	.	23	743	65	19	111	.	110	.	40	. 1234
1[illegible]	-	.	861	63	1046				.	204	2108
165	-	92	894	44	173	509	.	.	.	80	. 1957
267	-	.	764	88	176	783	.	.	.	92	. 2197
511	.	92	2519	195	454	1977		.		315	. 6176
151		31	840	65	151	666	.		.		2059

76 Alsen Stoppa

1908-09	345	141	-	230	172	23		23	
1907-08	931	300	1	301	225	-		77	26
1906-07	507	252	.	264	350			34	14
Total	1783	693	1	795	747			134	61
Average	594	231	.	265	249			45	1

177 Alsen Sundere

1908-09	1933	685	.	396	.	.		465	7
1907-08	2277	1056	.	389	.	.		883	5
1906-07	993	755	.	342	.	.		1085	3
Total	5203	2496	.	1127	.	.		2643	16
Average	1734	832	.	376	.	.		2548	8

178 Chrabalabrosa Sundere

1908-09	3859	1912	.	937	893	2		3641	112
1907-08	5462	1995	-	1145	944	22		1312	10
1906-07	4709	1437	[illegible]	862	898	4		1319	11
Total	14030	5344	[illegible]	2944	2735	28		6272	303
Average	[illegible]	1781	[illegible]	981	912	9		2091	101

179 Chrabalabrosa Stoppa

1908-09	5835	4500	5600	277				1381	20
1907-08	4888	5282	5110	2992	58		1	744	196
1906-07	4283	5017	[illegible]	2854	56		3	1467	186
Total	15006	14799	15721	8621	114		4	3592	578
Average	5002	4933	5240	2874	38		1	1197	192

Afrasian Sundere Chrabalabrosa

1908-09	743	1973	1485	1029	.			236	54
1907-08	761	1804	751	1158	-			294	47
1906-07	635	1827	1487	1126	.		1	278	48
Total	2139	5604	3223	3313	.		1	808	150
Average	713	1868	1074	1104	.		.	269	50

116	-	-	347	46	125	-						59	-	693	
118+			368	61	138	13						1	-	699	
104	-		358	79	93	-						2	-	636	
338			1073	186	356	13						62	-	2028	
113			358	62	119	4						21	-	676	
331	120	84	604	1514	213	3665	268					8	-	6807	
328	125	80	619	1892	240	467	194	1000	1000				-	4945	
335	132	83	586	1176	446	245			1000	1064			-	4037	
994	377	247	1809	3406	6294	548	707	1000	2000	1072			-	15789	
331	126	82	603	1135	210	1516	236			667	357		-	5263	
22	533	140	2968	453	491	3622				402	676	4		12111	
33	505	121	3224	594	536	3878				559	606		-	10172	
34	502	117	3001	678	489	1098					621		-	6539	
59	1540	378	9293	1251	1585	98				9612	303	4		25922	
30	513	126	3098	575	505	2866				320	768	1		9641	
	327	250	4920	583	1551	9844			100	207	554		-	20447	
"	251	235	4641	797	1219	9795			100	500	211			18827	
	499	227	4474	664	686	4902			100	500	206		-	12845	
"	107	124	4035	2144	3456	4544			300	307	971		-	51619	
"	359	237	4678	715	1152	8180			100	1024	324		-	17266	
	244	154	1571	455	28	1564			100	500	308		-	5247	
"	262	142	1557	470	222	663			100		109			3527	
"	152	139	1761	397	215	514			100	367	15				
	958	435	4889	1322	2425	45			300	867	568			13021	
	519	145	1030	441	241	41			100	289	18			4340	

81	Chitkulwar	Mozadunga	1908-09	340	714	.	553			366	191
			1907-08	626	798	.	670	33		246	23
			1906-07	701	842		645	.		265	245
			Total	1667	2354	.	1868	33		877	679
			Average	556	785		623	11	.	292	226
82			1908-09	159	545		559	.	.	47	131
			1907-08	176	828		586	11	25	785	241
			1906-07	[illegible]	[illegible]		592		3	35	153
			Total	416	2195		1737	11	28	867	525
			Average	139	731		579	4	9	289	175
83			1908-09	683	375		204			532	179
			1907-08	904	550	.	223			608	228
			1906-07	665	521	.	303			714	220
			Total	2252	1446	.	730			1854	628
			Average	750	482	.	243			618	209
84		Mutakalmuru Challakere	1908-09	765	381	.	231	1806	7	98	3288
			1907-08	601	417	.	239	2209	2	234	3702
			1906-07	627	418	.	241	307	.	67	1660
			Total	1993	1216		711	4322	9	399	8650
			Average	664	405	.	237	1441	3	133	2883
85			1908-09	313	981	.	372	175	2	118	1961
			1907-08	424	976	.	354	5	.	91	1856
			1906-07	428	982	.	364	8	.	133	1915
			Total	1165	2939	.	1090	188	2	342	5726
			Average	388	980	.	363	63	. 1	114	1909

	.	73	841	322	194	500	.	160	.	257	.	2347
3	.	74	841	384	187	524	.	160	.	94		2257
6	4	74	847	322	220	549	.	160	.	90	.	2268
9	.	221	2529	1028	601	1573	.	480	.	1441	.	6882
3	.	74	843	343	200	524		160		454	.	2294
										147		
.	.	71	725	501	149	49	.	170	.	76	.	1741
1	.	71	842	360	183	279	.	170	.	13	.	1910
6	.	71	680	304	78	595		170	.	6	.	1910
7	.	213	2247	1165	410	923		510		95	.	5570
2	.	71	749	388	137	308	.	170		52	.	1857
.	.	39	687	331	142	320	.	90	.	362	.	1971
1	.	41	831	147	177	716		90		4	.	2007
6	.	39	655	142	170	270	.	90	.	88	.	1460
7		119	2473	620	489	1306	.	270	.	454	.	5438
2	.	40	724	207	163	435		90		151		1813
	96	34	526	151	271	951	.	80	.	243	.	2357
.	140	32	511	128	126	508	.	80	.	17	.	1544
.	88	31	424	148	74	574		80	.	1	.	1423
.	324	97	1461	427	471	2033	.	240	.	260	.	5318
.	108	32	487	142	157	678	.	80		87	.	1773
										215		1908
.	.	67	[illegible]	327	7[illegible]	[illegible]	.	190	.	245	.	2625
.	.	67	[illegible]	314	95	524	.	190		[illegible]	.	1847
[illegible]	.	67	636	381	70	420	.	190	.	[illegible]		1803
[illegible]		201	[illegible]	622	242	1323	.	570		244	.	5558
.	.	67	645	341	81	[illegible]		190		81	.	1853

86	Chrysler Corp.	Jaguar	1948	09	630	744		719	804	1	165 30
			1907	08	693	738		784	617	-	221 30
			1906	07	468	738		643			87 95
			Total		791	2220		2146	421	+	473 865
			Average		597	740	09	715	474		1558 268

165	30	-	.	72	956	427	175	523	.	80	.	392	.	2625
124	30	7	.	69	856	310	230	880	.	80	.	27	.	2439
57	75	6	.	69	864	339	275	548	.	80	.	13	.	2194
47	85	13	.	210	2676	1076	680	1931	.	240	.	432	.	7258
158	240	4	.	70	892	859	227	644		80	.	144	.	2419

Total 3177

Note

octroi.

The tax is levied on the following articles —

(a) Fresh Cocoanuts

(b) Dry Cocoanuts

(c) Betel leaves

(d) Sugar

(e) Kerosine oil

(f) Tobacco.

(g) Cloth

(h) Sheep and goats

Of these (e) Kerosine oil (d) Sugar and (g) cloth are imported into the Town also exclusively by the Railway. Cocoanuts (a) + (b) come in almost exclusively by one or

While the other collections during the 3 months are : —

November 08	32 - 5 - 6
December "	16 - 2 - 6
January 09	32 - 5 - 0
	80 - 13 - 0

which represent the duty on 517 tins at 2½ as 22 1½ mds per tin.

In other words, the remaining 2475 tins over 83% of the import have been exported into the interior talukas. But examining the Pass books at the Several Kattes, the cards do not work up to half the number — on the other hand several consignments registered at the Bridge as passing out the Town, have not been registered as having so passed out at the respective Kattes — leading to a suspicion

of

of the consignments having been clandestinely smuggled into the Town without check - and at the Bridge itself, the number registered is far below the number delivered at the Railway Station, thus showing that such of the imported quantity should have been detained or passed out from the other side of the Bridge

An examination of the statistics of Sugar betrays similar puzzling features. For Example in the month of December, 120 Bags or 720 maunds have been delivered at the Railway Station - while the octroi Receipts represent the Lévy on 60 maunds or 1/12 - of the Import.

The figures relating to cloth are still more puzzling. Several consignments in the shape of parcels and bundles are received daily, the local agent of messrs Bunny and Co. being the principal importer. But yet, the register shows no levy of tax from him and the amount of tax actually levied is but a small fraction of what might be expected from the municipality with reference to the imports as indicated by the Railway statistics.

Considering the situation in all respects it seems to me that the patent leakage of municipal octroi may be traced to the following causes.—

(A) The existence of houses used as godowns on the other side of the Bridge, and also

also just touching the toll gates at the different sides

The former serve as stores from which the articles are smuggled in the Town at nights and other odd hours in such small quantities as to escape notice - While the buildings at the toll gates serve as stores for articles normally passed out of the Town, but which are clandestinely brought back. A ~~p~~ report no 81 dated 13th February 1909 just received from the Head Kotte Kottar separately submitted for consideration and orders may be viewed as illustrating how the octroi duties are evaded by merchants.

(B) The location of the Head Kotte in the interior of the Town

Town. The levy of tax is made here. The Cartmen taking passes at the different gates are supposed to be so honest as to drive straight to the Head Katte pay down the duties and then go to their destinations. The expectation is very simple indeed! but unfortunately all are not angels!

In this connection, I may add that the Kerosine Tins and cloth bundles are not passed at the Budge in the names of the persons who actually imported them, and enquiries go to show that the importing merchants practically sell their consignments at the Railway Station itself to the several smaller merchants who take them to their respective destinations

In

In this View, the articles are practically sold within the municipal limits and thus become liable to payment of octroi irrespective of their subsequent destination - As an illustration, I may say -

Suppose A buys 2 tons of oil at Shimoga bazaar and takes them to his Village outside the municipal limits - In this case, the actual consumption takes place outside the municipal limits and yet the propriety of the levy of octroi is unquestionably admitted - because the Tons are sold within municipal limits - Thus for purpose of octroi, a sale is Consumption -

In

In this view the very sale or change of hands at the Railway station may itself be regarded as meaning local consumption for purposes of octroi Tax and I would therefore propose that special arrangements be made to levy the tax on kerosene oil, sugar, cloth (tobacco) and other Rail imported goods liable to octroi immediately on their delivery to the parties by the Railway authorities and before they are passed out of the Railway Compound I would even suggest the establishment of a municipal warehouse where these articles may be stored "under Bond" and released as Taxes are paid by the owners at their convenience, of course, a

small rent will be charged for such storage beyond a certain limit of time -

Under such arrangements, the leakage of octroi Revenue on Rail imported articles will be greatly minimised and the cost will not be much.

The taxation on betel leaves and Tobacco which are the only articles coming in from the interior, may be given up as not worth the cost of the Establishment and trouble involved.

The octroi on Tobacco and betel leaves is estimated at Rs 700/ a year.

The collection Establishment now costs Rs 996/- as detailed hereunder -

		Rs
5 Kolkars on	Rs 7/-	420 a year
8 ———	6/-	576
		996

And should the option be confined to Rail imported articles, one Hatta post outside the Railway Station will be sufficient and the Establishment may be fixed as follows —

1 mukaddam — to receive		Rs
the goods	—	10
3 peons 2(7)1(6)	—	20
		30
	or Rs	360 a year

Savings — Rs 600 against Rs 700 income.

—

octroi duty on goats and Sheep.

The tax is levied on every head entering the Town from outside the limits. The levy is attended with great fraud both on the part of the small servants posted at the Kattas and also on the owners of the animals. There is no data for checking what flock go into the Town for consumption, what are only way farers and what again return simply from the grazing grounds. The hardship to the poor by this loose system of taxation is very great. In other municipalities, the tax is levied as a slaughter fee - at the time and place of slaughter - and the collection

Statement showing the comparative income p

No. Municipalities	Year	No. in which octroi is in force	Total income from Octroi	Gross Octroi Income	6 Refund of Octroi	Percentage of Octroi to Income 6 to 5	Percentage of Octroi Income
Bangalore City	1898-9	"	60,720	19,364	"	"	19
Ditto	1903-4	"	1,59,845	55,031	313	"—9—"	54,
Ditto	1907-8	"	1,98,804	78,792	2,073	2-10-"	76,
Ditto	1908-09	"	2,03,679	82,846	5263	6-6-"	76
Mysore City	1898-9	"	78,412	50,714	"	"	50,7
Ditto	1903-4	"	1,21,873	65331	194	"—4—"	657
Ditto	1907-8	"	140,903	76,721	765	1—"—"	759
Ditto	1908-09	"	144,902	78,935	93	"—2—"	788

Bangalore	1898-1899.	16.	30,084	2,280	"	"	22
Kolar		11.	26,085	3,413	"	"	3,4
Tumkur		16	23,147	1095	"	"	1,0
Hassan		14	36,357	9,060	"	"	9,080
Chitaldrug		9.	33,646	14,067	"	"	14,067
Shimoga		11	28,536	10,500		"	10,500
[illegible]		22	43,353	5,871	"	"	5,871
[illegible]		14.	33,409	13,663	"	"	13,663

	21	1	16,706	43	71,101	·2	·5
	39	3	15,174	36	50,656	·3	·8
	26	·1	16,062	46	56,034	·3	6
	29	·2	14,317	43	41,236	·3	·8
36 84	47	·4	12,710	36	40,231	·3	·8
6	26	·2	15,431	37	41,457	·3	9
78 9	41	·1	18,296	38	91,148	·2	·5
9	37	·2	11,225	36	45,901	·24	·6
619			114,921	30	43,834		
			183	31	5,562		
187	26	·1	15,377	41	71,101	·2	5
17,293	46	3	14,190	34	50,656	3	·8
11,391	28	·2	13,322	32	56,034	·2	·7
9,075	21	·2	11,813	27	41,236	3	1·02
19,472	50	·4	14,085	36	40,231	3	·9
14,535	35	3	13,388	32	41,457	·3	1 01
22,420	35	·2	21,995	34	91,148	24	·7
15,455	45	·3	12,492	36	45,901	3	·8
			116,662	84	322		
	46		174,609				
10,926	30	·1	15,039	41	71,101	2	·5
16,142	39	·3	15,710	36	50,656	·3	·8
9,608	28	·2	10,890	31	56,034	·2	6
11,565	25	2	16,915	36	41,236	4	1·1
20,624	49	5	16,355	39	40,231	·4	1·02
5 13,307	35	·3	12,125	31	41,457	·3	·9
24,404	39	3	19,486	31	91,148	·2	·6
7300	52	·3	9,664	29	45,901	·2	·7
876	37.		115,584	34	43,834		
					5,751,562		
	41		178	26.			

...t showing refunds and cost of collections of Octroi
...Municipalities for 1907–8 and 1908–9

Names of Municipalities 2	Gross Octroi 3	Refunds 4	Net octroi 5	Percentage of Column 4 to 3	Total cost of collections including supervising establishment 7	Percentage of Column 7 to 5 8.
			1907–1908			
Bangalore City	78,792	2,073	76,619	2-10	13,397	17
Mysore City	76,721	765	75,956	1-00	11,989	16
— Districts —						
Bangalore	10,787	-	10,787	-	1,997	19
Kolar	17,293	-	17,293	-	2,920	17
Tumkur	11,391	-	11,391	-	1,894	17
Shimoga	9,075	-	9,075	-	2,128	23
Kadur	19,472	-	19,472	-	2,402	12
Chitaldrug	14,535	-	14,535	-	2,010	14
C. Mysore	22,420	-	22,420	-	3,824	17
Hassan	15,455	-	15,455.	-	1,713	11

			1908–1909			
Bangalore City	82,846	52	63,76,583	6-6	13,466	17
Mysore City	78,935	93	78,842	1-2	13,175	17
— Districts —						
Bangalore	10,926	-	10,926	-	2,106	20
Kolar	16,142	-	16,142	-	3364	21
Tumkur	9,608	-	9,608	-	1,961	22
Shimoga	11,565	-	11,565	-	1,921	17
Kadur	20,624	-	20,624	-	2360	11
Chitaldrug	13,327	20	13,307	2-52	2,100	15
Mysore	24,461	57	24,404	4-4	4,120	17
Hassan	17,300	-	17,300	-	1,7[illegible]	10

8/10

Coffee

	1903—4.	1907. 8.	1908-9
Bangalore City	20550	35744	34209
Bangalore Distt	4133.	6408.	6395
Kolar — do	7206.	9439.	8765
Tumkur — do	6348.	8857.	7144
Shimoga — do	5527.	5981.	7498
Kadur — do	6027	8964.	8404
Chikmagalur — do	7280.	11497.	10181.
Mysore City — do	15494	21694.	21102.
Mysore Distt do	4423.	9677.	9303
Hassan	5401.	9256.	9851.

The collection from Coffee for the year 1908-9 will have to be picked up from the Classified abstract of the Distrct. Officers received from the Home Revenue.

11/10

1	Bangalore	1906	38311	9260
2	Kolar		1650	16236
3	Tumkur		594	8870
4	Shimogah		47	9637
5	Kadur		5	15994
6	Chitaldrug		1	10616
7	Mysore		12	14809
8	Hassan		27	13116

1	Bangalore	1907—1908	12	37002	10
2	Kolar		11	41219	17
3.	Tumkur		10	40533	11391
4	Shimogah		10	43219	9075
5	Kadur		7	38902	19472
6	Chitaldrug		9	41935	14535
7	Mysore		18	64903	22
8	Hassan		8	34935	15
			85	34264	
				6,823	275

1	Bangalore	1908-1909	12	36180	10926
2	Kolar		11	41473	16142
3	Tumkur		10	34432	9608
4	Shimogah		10	46879	11565
5	Kadur		7	42313	20624
6	Chitaldrug		9	39414	13327
	Mysore		18	62112	24418
	Hassan		8	33112	0509
			85	3,359	587
					1366

Municipalities in Mon.

			Population	Incidence of House Tax per head of Population	Incidence of Total Income per head of Population
		24	69,417	·2	8
39	·3				
		26	69,417	6	23
	584	17	69,417	5	27
17	42,464	20	69,417	·6	29.
	·8	13,509	17	68,111	2	14
	·9	20,591	17	68,111	3	17
	1·1	23,363	16	68,111	3	2
	1·2	19,804	14	68,111	2	21.
	03	15,883	53	71,101	·2	4
	06	12,944	49	50,656	·2	5
	02	13,509	58	56,304	·2	·4
	·2	15,812	43	41,236	3	·8
	·3	11,793	35	40231	·3	·8
	2	10,271	36	41,457	·2	·6
	·06	14,776	44	91,148	·16	·3
	3	11,020	33	45,901	·2	7.
	·1	[illegible]	43.	43,834	·2	5.

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Statement showing the details of revenue in the year 1906-07 as compared with the

Name of Municipalities	Dry Cocoanuts			Fresh Cocoanuts			Ghee			Betel-leaves			Tobacco			Ch
Shimoga	37	2	6	372	13	10	—			496	13	6	199	4	3	25
08 09	92	2	-	564	4	-				470	13	-	171	10	-	
Tumkur		—		—			—			—						2686
Kolar	62	5	-	243	4	5	99	4	-	331	11	10	16	1	-	35
Hassan	8	-	-	114	-	-	133	-	-	269	-	-	502	-	-	4
Chitaldroog	23	-	-	191	-	-	136	-	-	625	-	-	65	-	-	7
Chikmagalore	70	10	8	695	14	11	528	13	6	940	14	9	420	4	-	

	Brought forward					11,67										11,692	00
12	Public Works																
	Roads original				1500						240	"	"				
	do Repairs				3500						2459	"	"				
	Drains original				500						270	"	"				
	do Repairs				1000						637	"	"				
	Water supply original				1000						31	"	"				
	do Repairs				500						279	"	"				
	Building original				1000						1506	"	"				
	do Repairs				1000						681	"	"				
	Other works.				500						96	"	"	6747			
	Compensations.				2000.	12,500											

Articles subjected to octroi in the Shiraz Municipality 1906-07.

Jaggery	Sugar	Oil	Sheep & goats	Ghee	Miscellaneous	Total.
8 4 0	215 6 0	300 9 10	393 3 0	[illegible]	[illegible]	4 52[illegible] 13 0

25.2.09

					[illegible]	
				12.	Conservancy establishment.	4102
					Overseer on Rs 57-10	
					1 Daffedar 8	
					2 Peons 7	
					3 do 6	
					2 do 5	1012
					35 Sweepers,	
					15 male at [illegible]	
					20 female at [illegible]	2344
					16 Scavengers at 7	1341
				13.	Conservancy. Carts hire.	
					including hire pair of Bullocks for	
					Night-soil carts	2998.
					Total Rs	25,800

[illegible] 25/2/19 10

Statement showing the details receipts & Expenditure of Shawogue Municipality during 08-09

Serial No	Details	(Collection) Demand	Collection	Balance		(Expenditure) Items	Amount in Rs	Grand Total
1	Octroi	5,730	5730	"	1	Interest & repayment of loan	125	
2	Mohalla fees	22164	10889	11,275	2	Head office charges.	389	
3.	Tolls	11271	8696	2,575.	3	Octroi establishment		
4	Rents & fines	2318	1310	1,008		Kolkars - 5 at Rs 7 each		
5	Miscellaneous	1440	1164	276		do - 8 - at Rs 6 each	1002	
						Mohalla fees establishment		
	Total	42,923	27789	15134	4	Mukaddi & Chowkidars	247	
					5	Contributions	624	
					6	Lighting charges for 122 lamps @ Rs 2 each	325	
					7	Public Works	5,710	
					8	Charitable grants		
						Nidhanpur Ashram Pandeh & others		
						Miscellaneous		

a — Due for contractors bills & work not yet when a decree is pending against — The decree has been executed in [illegible] 21 [illegible]

Statement showing the details of Revenue / Revenue

Name of Municipality	Population			Percentage			Grant			Fixed Government			Relief Cases			Expenses	
Shivoga	6260	—	—	15.			37	16		372	13	10.	496	13	6	199	6

Statement showing the details of municipal establishment of Shwebo town

Designation	As per Sanctioned Budget					Payments actually being made					Remarks
	No.	Rate per month			Total per year	Grand Total	No	Rate per month			Amount Paid	
1 Head office												
Pay of establishment					308						387	(1/3 contributions from the municipality)
Contingencies					80						"	
Provisory contributions					34	422					63 " "	442
2 Municipal office												
Municipal clerk (grade 12-1-5)	1	15	"	"	180		1	12	"	"	144 " "	
Contingencies	"	"	"	"	74	254					13 8 "	157 8 "
3 Cicloc												
Manager	1	10	"	"	120		1	7	"	"	84 0 "	
Kolkars first class	4	7	"	"	912		4	7	"	"	440 4 "	
do - second	8	6	"	"			8	6	"	"	462 4 11	
[illegible] - Sweepers					48							
[illegible]					36							

Statement showing the detail expenditure on establishment of Shimoga Municipality during 08-09.

Articles subjected to octroi in the Shimoga Municipality
Quarter municipalities of other Districts except Bangalore & Mysore

		Sugar			Oil			Butter			Sheep			Miscellaneous			Total.			Remarks
8	6	2	245	6	2	300	9	10		—		393	3	2				4526	13	2
			255		—	573	6	—				271	—	—				5737	11	9
	—		—			—				—		—				—		2666	2	2
37	3		96	8	2	716	8	7		—		[illegible]				—		3654	15	10
5	2	2	57	2	2	124	2	2	37	2	2	290	2			—		4529	2	2
7	2	2	55	2	—	259	2	2	29	2	2	144	2	2		—		4709	2	2
2	1½	3	319	4	2	1113	2	9	166	6	8	1175	13	4	136	8	2	9752	12	3

25.12.90

Showing the Population of Shwiaga town

Name of Town.	No of Houses	Population according to census 1901.	Remarks.
Shwiaga Town	2860	6240	

25/2/1910

Orbai

Particulars	Actuals for 1904-05 Rs	Actuals for 05-06 Rs	Actuals for 06-07 Rs	Actuals for 07-08 Rs	Estimates Budget for 1908-09 Rs	Actuals for 1908-09 Rs	Estimate for 109-10
Fresh Cocoanuts	340	362	374	435	380	564 ~~239~~	
Dry do.	88	68	37	80	50	92 ~~24~~	
Betel leaves	526	602	497	464	500	479 ~~46~~	
Sugar	357	287	215	161	210	256 ~~68~~	
Sheep & goats	230	245	393	294	400	272 ~~182~~	
Oil	1065	816	301	277	300	573 ~~128~~	
Tobacco	180	216	199	163	200	172 ~~46~~	
Cloths.	3433	2623	2505	2505	2550.	3337 ~~1944~~	
Total	6219	5217	4521	4379	4590	~~2642~~ 5738	
Establishment charges	nil.	1056	1001	992	1080	~~572~~ 1080	
Net Revenue	~~4163~~	~~3620~~ 4165	3520	3387	3510	~~2070~~ 4658	

Statement showing demand, collection & balance under Mohalarifa:

Year	Arrears of Previous years.	Demand for the year 08-09	Total	Collection including remissions	Balance outstanding
1904 05					
1905 06			15805	6333	9482
1906 07	9482	8247	17729	6433	11296
1907 08	11296	8406	19702	5395	14307
1908 09	14307	7857	22164	10889	11278

L 7 Jan 52 of 1913

G.B.S. 19

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

The Financial Secretary suggests that the octroi tax be abolished throughout the Province, the loss being made good by raising the house tax & market rents & imposing professional taxes. His suggestion appears to have been based on his knowledge of the municipalities in Bengal where the octroi tax is unknown. As an experimental measure the Financial Secretary says that his suggestion be tried in the case of the Shwebo Municipality.—

The financial condition of the Shwebo Municipality for the year 1908-1909 was as shown

hold routine ... written on small ... this ... be copied, or slip ...

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

shewn below.

Receipts

	Rs
Octroi	5730
on houses, buildings etc	8236
Tolls	8696
Mohatarfa	3113
Rents from lands buildings	1310
Miscellaneous	1163
	28,248

Expenditure

I	Interest on debt	125
II	Head Office charges	525
III	Collection of Octroi	1002
	Tolls and Mohatarfa	247
IV	Conservancy	7695
V	Contributions	576
VI	Lighting charges	1326
VIII	Public Works	7439
IX	Charitable grants	577
X	Education	[illegible]
XI	Misc. Repayment of loan	500
	Misc. Items	1380
XII A	Grain Compensation Allowance	580
XIII	Plague Preventive measures	199
		~~24,057~~
	The Deficit	22,171

Public debts' omitted on bills

The income of Rs 5730 was made up of

should not be written on small
for the ... not be copied, or alter
based on ...

GPB—23,072—2,149

G R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

of the following items

IV Class I	Rs
(a) Cocoanuts, fresh	565
(b) do, dry	92
(c) Betel leaves	471
(d) Areca	254
Class II Sheep, fowls, shellfish	272
" III Oil seeds	575
" VI Tobacco.	164
" VII Cloth	3337
	5,730

Deduct collection charges [illegible]
Net revenue [illegible]

Supposing the Imperial Council give up this item of revenue can it make it up by other means

The Annual demand for house tax can be taken at Rs 5000/. This amount does not appear to admit of of extension unless the Regulation is amended by increasing the rate of the tax.

X

Rate charged in the Imperial Region

0-8	[illegible] on the [illegible] value
1-0	[illegible]
1-8	[illegible]
2-0	[illegible]
3-0	[illegible]
4-0	[illegible]
5-0	[illegible]
should [illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Should routine notes be written on small slips, the notes should be copied, or alternatively pasted on to [illegible]

Rents from markets, buildings etc

Rs 1,310 was realized from the following

Rs 521 rent from markets
" 705 market fees
84 fees for the use of the town hall

Rs 1310

Supposing the rates are raised by one half the add'l amount with the municipality would be Rs 655.

Profession tax

In 1908-09 the Municipal Council realized Rs 3113 from Industaifa as detailed below

Shop tax	2374
Oil mill tax	39
Cart tax	700
	3113

Under Sec 59 (a), (x) [illegible]

G.M.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

of the Municipal Corporation making a tax on arts, professions, trades and callings, and on offices and appointments may be imposed if this is introduced, the Government of Mahalanga should cease. Moreover it will have to be investigated what revenue amount will be realized by the Municipal Council as Profession tax.

Even granting that the Municipal Council will be able to reimburse of themselves the loss they may sustain by giving up Octroi, they are not, though they may be nothing, in a position to abolish Octroi, as they

Should routine notes be written on small bits, the notes must be copied, or slips pasted on the form.

G.R.S. 13]

Routine Notes

[To be used only for notes, requisitions, etc., not intended for permanent record]

they have to incur from the current year forward an annual recurring charge (Rs 6020) on the town water works.

Some system establishment will have to be maintained for the upkeep of the drainage works on completion. It is shown above that the octroi tax on salt cannot be given up entirely. The income from this cloth was Rs 3337. If octroi and other items amounting to Rs 2400 be given up will the Municipal Council be able to make up this amount and Rs 6020 required for the water works? Can Professional tax or Water rate. At present the Municipal Council does not tax the citizens for lighting

5730
3337
2393

Should routine notes be found to be written on small slips, the notes must not be copied, or slips pasted on the [illegible]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Mr Dey is of opinion there is no need for imposing a commutation rate on the land. The tax on the land, water rate and lighting tax which has been fixed by the municipal council should not exceed the total of the house tax and the total of the house tax.

the tax of lighting tax be levied. They may ask about Rs 830 (at 1/6 in the rate of house tax) or Rs 1660 (at 1/3 in the rate of house tax). The municipal council may perhaps be asked to investigate the aspect of the case and also whether the citizens are in a position to bear all these taxes.

HM

5-9-1910

The question of abolishing octroi is not a new subject. Sir Ramachandra in ordering the abolition of octroi in the Tanjore Municipality observed as follows.

Should not be written on small slips but be copied on slips

5/8/29 11 1882

G R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

follows in New York

"Octroi even if it were to be allowed can only be levied on articles consumed in the town and there should be provision for refunding the duty on articles which are exported. These arrangements involve needless complication, and it is much better for all the municipalities excepting those at Provincial Head Quarters to dispense with the Octroi and all the useless establishments connected therewith, and to look to a fair House tax and to the growth of proper municipal spirit among the people for the consumption and

should your [illegible] or small
up the [illegible] to export, or ships
protest [illegible]

GPE—[illegible]—21-4-10

G R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record]

and improvement of the town"

The wants of municipal towns might have been a few then. Conditions have changed much since 1882

H.M.S.
5-9 1910

A statement showing the receipts & expenditure of all the municipalities, excepting Bangalore & Kolar some only months, for the 3 years ending 1908 & the annual average of receipts & expenditure is put up. From this it will be seen that in many municipalities the annual average receipts & the average expenditure nearly balance each other,

Should great [illegible] be written on small [illegible] or slips [illegible]

G.R.S. 13

Routine Notes

[To be used only for notes, requisitions, etc., not intended for permanent record.]

in some the average expenditure is in excess of the average receipts. That is very few there is a small surplus over the average expenditure.

As it is not possible to find a substitute for action. The Municipal Council cannot give up the item of taxation. The loss by giving up octroi cannot be made good by raising the house tax, even doubling or trebling it. It is only in very large municipalities there can be appreciable increase in the revenue from taxes on houses & lands. In others it will not be to any advantage. ~~Moreover profits water~~ Besides, the citizens are average to the limits. Other for raising of the

could contain ... written on small ... be copied, or alpho ...

G.R.S. 13]

Routine Notes

[To be used only for notes, requisitions, etc., not intended for permanent record]

prevailing rate of, direct taxes.

The importance of the professional tax also will not escape matters. This tax is in force in all the Dist. Municipalities in the Madras Presy. The no. of Dist. Municipalities in that Presy during the year 1908-09 was 60. Containing a total population of 19,19,832. The number of persons who paid this tax during that year was 56,645, the amount realized being Rs 2,27,980. The average number of persons taxed in each municipality was 944 and the average amount realized was Rs 3800. Excluding the two

This can only supplement the revenue.

income from the [illegible] tax exceeded [illegible] only in Madras [illegible] Municipality [illegible] are not only [illegible] but are also [illegible] and Chambers of Commerce.

G.R.S. 13]

Routine Note:

[To be used only for notes, requisitions, etc., not intended for permanent record.]

two city municipalities there are 86 municipalities in the Mysore State containing a population of 5,14,165. Calculating on the basis of the Madras municipalities, the no. of persons liable to the professional tax will be about 15170 or 173 for each municipality.

The maximum rates of house tax in the following places are shown against them.

Bengal. Eastern Bengal & Assam } 7½ % of the annual value in ordinary municipalities & 10 % in Hill municipalities.

Madras 8½ % on rental value.

Bombay. Generally on the annual value of houses.

[illegible] should [illegible] be written on small slips [illegible] must be copied on slips [illegible]

GPB—[illegible]—21-4-09

G.R.S. 18]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

In some cases it is based on the circumstances of the divisions. In a very few cases the tax is levied on the rental value.

Punjab. 10% on the annual value in some 27½% in others

Central Provinces 7½% of the gross annual letting value

N.-W. Provinces. 7½% of the annual value.

HM. 21.9.1910

N.—Should, as usual, notes be written on small slips, the same must be copied, or slips pasted on a page.